

6 FAM 220

PERSONAL PROPERTY MANAGEMENT FOR POSTS ABROAD

(TL:GS-76; 01-28-2002)

6 FAM 221 SCOPE AND AUTHORITY

6 FAM 221.1 Scope

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. *This regulation prescribes policy, principles, responsibilities, and related requirements for receipt, management, accountability, storage, utilization, maintenance reporting, and disposal of all personal property controlled by each State, USAID, Commerce, or Agriculture office established abroad.*

b. Direct requests, in writing, for interpretation of or exceptions to these regulations, to the parent agency *below*:

(1) State: Chief, Property Management Branch A/LM/PMP/BA/PM;

(2) USAID: M/AS/OMS;

(3) Commerce: International Trade Administration, U.S. and Foreign Commercial Services, Office of International Operations, Overseas Property Manager;

(4) Agriculture: FAS; FAA; International Services Staff;

(5) BBG: For Overseas Transmitting Stations and Technical Monitoring Office's Engineering Operations Directorate, Network Support Division (E/OT); for VOA Correspondents – VOA News Division, Program Manager (VOA/X).

6 FAM 221.2 Delegated Responsibilities

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. **Agency Property Management Officer:** The Managing Director, Program Management and Policy (A/LM/PMP) for State and the Director, Office of Administrative Services (M/AS/OD) for USAID are the designated agency Property Management Officers (PMOs) for agency-wide issues.

b. ***Property management work requirements:*** The head of the establishment at each post shall ensure that property management responsibilities are included in the job and work requirements of those post employees involved in property management functions. Rating and reviewing officers will address these responsibilities as part of the normal performance evaluation process.

c. ***Separation of duties:*** A sound *management* control system must ensure that no one individual is in the position to control all aspects of any transaction affecting the receipt, storage, or disposition of expendable or nonexpendable personal property. In the absence of a desired separation of duties, the *accountable property officer* (APO) shall conduct a *management review* at least twice a year. Duties which are to be separated whenever possible are procurement, receiving, payment, property record keeping, and *conducting an annual physical inventory*.

6 FAM 221.2-1 Property Management Officer (PMO)

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. The *property management officer* (PMO) must be a U.S. citizen. Functional responsibility for the PMO is inherent in the positions of the administrative officer or the USAID executive officer. Therefore, the head of each establishment abroad shall designate, in writing, the incumbent of one of those positions to serve as PMO. At small posts not having these positions, the principal officer will serve as the PMO. At posts where USAID participates in the *International Cooperative Administrative Support Service* (ICASS), the executive officer, or the principal officer, if no executive officer, shall always retain PMO responsibility for all USAID property.

b. The PMO is responsible for all property management *functions* and is authorized to delegate to other U.S. citizen officers, preferably members of the PMO's staff, responsibility for the following property management day-to-day activities:

- (1) Ordering;
- (2) Receiving;
- (3) Storage;
- (4) Utilization;
- (5) Accountability;
- (6) Standardization;
- (7) Maintenance and repair;

- (8) *Conducting the annual inventory;*
- (9) Disposal; and
- (10) Settling disputes about property control.

c. *Responsibilities for these functions automatically revert back to the PMO when an employee designated with responsibility leaves post.*

6 FAM 221.2-2 Accountable Property Officer (APO)

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce)

a. The *accountable property officer (APO)* must be a U.S. citizen direct-hire employee designated in writing by the PMO; however, at a small post not having a general services officer to serve as APO, the PMO retains APO operational responsibilities or may designate a U.S. citizen contract, *direct-hire foreign national*, or *foreign national serving under a personal service agreement* to serve as APO if they are under the direct supervision of the administrative officer or executive officer. *This exception requires the written approval from A/LM/PMP/BA/PM for State. This provision (on prior Washington approval for exceptions) does not apply to USAID.*

b. The APO is responsible for:

(1) The custody, care, and safekeeping of all property under control of the post;

(2) The maintenance of all required property records;

(3) The accomplishment and reconciliation of *the physical inventory* and the *completion of the required* certification reports;

(4) The preparation of survey reports *documenting inventory* shortages or *damage*, and the forwarding of such reports *for action to either* the PMO or the property survey board, *as appropriate*;

(5) The preparation of property reports required by the parent agency;

(6) The approval of requisitions for procurement of personal property;

(7) *Ensuring that the receiving activity at the A/LM/OPS/WLC/MAT warehouse or the appropriate A/LM/OPS/TTM despatch agent, is notified of all orders to transit that facility by providing a copy of each applicable procurement document;*

(8) The conduct of *an annual* utilization *survey* to *ensure* that property is correctly assigned and cared for, and to identify unneeded property for reassignment or return to stock. A memorandum to the file is prepared confirming that a survey was taken;

(9) The conduct of periodic, unannounced spot counts of expendable and nonexpendable property in warehouses to verify *the accuracy of* property records. Discrepancies between property records and physical count must be reconciled;

(10) The periodic review of cupboard stock issues;

(11) The supervision and training of personnel to whom the aforementioned duties are delegated; *and*

(12) **Agriculture only:** *The accountable property officer is the FAS principal officer at each post who is responsible for ensuring that a physical inventory of FAS-owned property in offices and residences is conducted annually. Reference Overseas Administrative Handbook, Section 5.2.*

6 FAM 221.2-3 Property Disposal Officer (PDO)

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. The *property disposal officer* (PDO) must be a U.S. citizen officer designated, in writing, by the PMO and should be an official other than the APO. However, at a small post where it is not possible to designate a PDO or where the APO is not a U.S. citizen direct-hire employee, PDO responsibilities remain with the PMO.

b. Although the PDO is generally responsible for the activities indicated below, in situations where it is not possible for the PDO to become generally involved with routine administrative detail (e.g., preparation of disposal documents, making arrangements for sales, etc.), the PMO may delegate responsibility for these actions to the APO, except in those instances where an exception has been granted (see 6 FAM 221.2-2). For *management* control purposes and to satisfy separation of duties requirements, however, the PDO must be a witness to key disposal activities such as those on sale day (e.g., cash payments and the issuing of bills of sale), and ensure that proper disposal-related entries are made on Form OF-132, Property Disposal Authorization and Survey Report, for State or on Form AID 534-1, *Personal Property Disposal Authorization and Report*, for USAID.

c. The PDO is responsible for:

(1) Selecting the most advantageous method of disposal of personal property as authorized by completed Form OF-132, Property Disposal Authorization and Survey Report, *for State* or Form AID 534-1, *Personal Property Disposal Authorization and Report*, for USAID in accordance with these regulations;

(2) The preparation, maintenance, and distribution of pertinent records and liaison with related activities, particularly fiscal and property records sections;

(3) The execution of bills of sale or other documents *that* may be necessary to transfer title of property;

(4) Adherence to local laws and tax regulations;

(5) Securing property during the sale process and effecting prompt removal;

(6) Ensuring correct deposit of sales proceeds; and

(7) The training and supervision of personnel to whom the aforementioned duties are delegated.

6 FAM 221.2-4 Property Utilization Officer

(TL:GS-76; 01-28-2002)

(State Only)

The Chief, A/LM/PMP/BA/PM is the designated Property Utilization Officer for the U.S. Department of State. Responsibilities in this capacity include promoting the use of excess property to the maximum extent possible, throughout the Department, as excess property is the first source of supply (refer to Federal Acquisition Regulations and the Federal Property Management Regulations, Chapter 101-26.101 and 101.43).

6 FAM 221.2-5 USAID Controller

(TL:GS-76; 01-28-2002)

(USAID Only)

The USAID controller is responsible for the establishment of procedures required to provide U.S. dollar and Trust Fund monetary accounting control for nonexpendable USAID-owned property pursuant to USAID financial management regulations.

6 FAM 221.2-6 USAID Regional Inspector General

(TL:GS-76; 01-28-2002)

(USAID Only)

a. USAID/IG personal property will be funded from RIG/Audit funds for audit personnel.

b. The USAID executive officer, or U.S. embassy general services officer where there is no USAID executive officer (but ICASS or other agreement is in place), conducts the annual inventory and forwards it to M/AS/OMS for entry into the overseas property accounts.

c. Inventory records submitted by posts shall reflect ownership of "RIG/A."

6 FAM 221.2-7 Regional Housing and Urban Development Offices (RHUDOs)

(TL:GS-76; 01-28-2002)

(USAID Only)

The RHUDOs approve acquisitions of Housing Investment Guarantee (HG)-funded office and residential furniture and equipment; approve disposal actions; and ensure that annual inventories are conducted and forwarded to M/AS/OMS and that proceeds of the sale of HG-funded vehicles and property are returned to the Housing Investment Guarantee fund.

6 FAM 221.2-8 Office of Foreign Disaster Assistance (OFDA)

(TL:GS-76; 01-28-2002)

(USAID Only)

Property acquired with disaster assistance funds is USAID personal property *and shall be used only for disaster-related programs*. The Office of Foreign Disaster Assistance is responsible for its procurement, storage, management, accountability, and release from stockpiles. Regulations governing disaster assistance property are contained in ADS 251, International Disaster Assistance, *BHR/OFDA's annual worldwide guidance* cable, and financial management regulations.

6 FAM 221.2-9 Officers Separately Funded from USAID

(TL:GS-76; 01-28-2002)
(USAID Only)

Senior officers of RHUDO or any other office (excluding RIG) at post separately-funded from USAID may authorize commingling, common-issue, and single account records of household and/or office furnishings with those of the USAID mission at post, provided that such an agreement is in writing and is signed by the USAID PMO and the senior officer of the separately-funded agency at post. RIG property is not funded through USAID; therefore, all USAID RIG property must be identified, marked, and recorded separately from USAID OE-funded property.

6 FAM 221.2-10 Employee

(TL:GS-59; 10-01-1999)
(Uniform State/USAID/Commerce/Agriculture)

Each employee is responsible for the proper care, custody, and effective use of U.S. Government property issued for the employee's use and may be held liable for the property if it is stolen, damaged, lost, or destroyed as a result of negligence, improper use, or willful action on the employee's part. If a contract employee is involved, refer to FAR 45.504. The employee is responsible for promptly bringing to the attention of proper personnel the need for property service or repair. Employees to whom property is assigned shall ensure that repairmen are authorized to remove property from the building for repairs before releasing property to them. Employees shall inform office supervisors when it is necessary for the property to be removed so that a property pass can be obtained.

6 FAM 221.3 Compliance with Property Management Regulations

6 FAM 221.3-1 Compliance Monitoring

(TL:GS-76; 01-28-2002)
(State Only)

a. Compliance with regulations shall be monitored through the means stated below:

(1) Regulations Compliance Report (Form DS-582, Property Management Report, Part B);

(2) *Risks* assessments as directed by the Department's Management Control Program Coordinator (*FMP/F/FPRC/FPMC*);

(3) Inventory certification (Part A of Form DS-582, Property Management Report; see 6 FAM 229.1);

(4) On-site property *assistance visits* by the Property Management Branch *staff* (A/LM/PMP/BA/PM); and

(5) Office of the Inspector General visits.

b. Evidence of noncompliance with property regulations will be brought to the attention of the agency PMO.

6 FAM 221.3-2 Compliance Enforcement

(TL:GS-76; 01-28-2002)

(State Only)

a. Notification to post of noncompliance: The agency *Property Management Officer* (PMO), the *Managing* Director, Program Management and Policy (A/LM/PMP), shall notify *post's property management officers* (PMOs) of any instance of noncompliance detected through the monitoring process. Upon receipt of this notice, the PMO at post must initiate immediate remedial action, and, within 60 days, report actions taken to the agency PMO. A copy of the report of action taken shall also be sent by the post to the executive director of the regional bureau or the Bureau of International Organization Affairs (IO), as appropriate. If the report is not received in A/LM/PMP within 60 days, the *responsible officer may be* subject to penalties stated in 6 FAM 221.3-2, *paragraph c*.

b. Notification to management of noncompliance:

(1) A/LM/PMP sends to post PMOs copies of its notifications of noncompliance *that* shall be sent to the regional or IO bureau executive director, as appropriate. *The A/LM/PMP/BA Property Management Branch staff will notify post's PMOs annually of the deadline for submitting the Form DS-582, Property Management Report;*

(2) Refer repeated or serious instances of noncompliance, *including failure to submit the required Form DS-582, Property Management Report (due March 15), or valid request for an extension of time; failure to take remedial action, or false certification to either the annual Form DS-582's Certification of Inventory Reconciliation or the Regulations Compliance Report shall be reported* to the appropriate bureau Assistant Secretary by the Assistant Secretary for Administration for appropriate action.

c. Penalties for noncompliance: *Individuals who fail to fulfill their responsibilities under these regulations or falsely certify either Form DS-582's Certification of Inventory Reconciliation or the Regulations Compliance Report may be subject to administrative action as described in 3 FAM 4300 or 3 FAM 4500, as appropriate.*

6 FAM 221.4 Definitions

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. **Accountable property:** *Property that must be kept on accountable property records, and inventoried, as required. Property that meets the criteria:*

(1) **State:**

(a) Nonexpendable personal property, in use, with an acquisition cost of \$5,000 or more *per item*;

(b) All expendable and nonexpendable personal property in storage, regardless of cost;

(c) Nonexpendable residence furniture and equipment, regardless of cost;

(d) *Serialized property, including information technology equipment with an acquisition cost of \$500 or more per item*;

(e) Leased property, regardless of cost;

(f) Accountable property on loan; *and*

(g) *Property that is sensitive by nature and attractive for personal use, as identified by the PMO (e.g., laptop computers, cellular telephones, cameras, and lenses, etc.);*

(2) **USAID:**

(a) All nonexpendable residential furniture and equipment regardless of cost or location;

(b) All other nonexpendable personal property items costing \$100 or more exclusive of shipping, packing, and storage costs;

(c) Any expendable stock inventory in stockroom or nonexpendable property in warehouse; and

(d) Any leased or borrowed nonexpendable property regardless of cost.

b. **Accumulated depreciation:** *The total depreciation recorded on an asset since its acquisition.*

c. **Acquisition cost.** *The cost to the Government of putting the property into use when the property is originally acquired. It includes the amount paid to vendors plus any transportation charges, handling and storage costs, labor and other direct or indirect production costs (for goods produced or constructed), and outside services for designs, plans, or specifications, billed from sources other than the vendor. It does not include training costs or warranty costs. When the acquisition cost of an item is unavailable, the fair market value of the item is considered the acquisition cost.* **USAID only:** See 6 FAM 225.1-1, paragraph b, which applies to recording acquisition cost.

d. **Administrative property:** Basic common-use furniture, furnishing, and equipment (including residence property) usually available through normal supply channels (e.g., desks, chairs, office machines, sofas, beds, refrigerators, *nontempest IT and word processing equipment*, etc.). **USAID only:** See 6 FAM 225.1-1, paragraph b, which applies to recording acquisition costs.

e. **Agency Property Management Officer:** *An individual designated to serve as a focal point for property management with responsibility and authority to account for the effective acquisition, control, use, and disposal of property for that agency.*

f. **Bar code:** *This is also called the Universal Product Code (UPC). It is a series of short black lines of varied thickness usually accompanied by alphanumeric digits. A laser reader or scanner can translate the bar codes with the alphanumeric that are used to uniquely identify a property item. This Property Identification Number (PIN) is used as a basis for the inventory.*

g. **Board of survey:** *A panel consisting of three members who are appointed by the head of the post to review cases involving missing, damaged, or destroyed U.S. Government property.*

h. **Capitalized personal property:** *Nonexpendable personal property that has an acquisition cost of \$25,000 or more per item and an estimated service life of two years or longer must be capitalized and reported in the agency's financial statements. All State-owned vehicles are capitalized, regardless of cost. State-owned IT software with expected useful life of two years or longer, purchased from outside the agency, with an acquisition cost of \$100,000 or more is capitalized. State-owned IT software developed within the agency by direct-hire or contract employees shall be capitalized if the expected useful life is two years or longer and the cost of direct-hire or contractual services exceeds \$250,000, excluding software maintenance costs.* **USAID only:** Vehicles with a basic acquisition cost of under \$25,000, including shipping costs, are not capitalized.

i. **Condition:** *The condition of an asset is based on the evaluation of the physical state of an asset, its ability to perform as planned, and its continued usefulness.*

j. **Contractor-acquired property:** *Property acquired or otherwise provided by a contractor for performing a contract and to which the U.S. Government has title.*

k. **Cupboard stocks:** *Expendable supplies located in office supply cabinets or the like (not in a secure supply room) which are maintained to meet normal requirements usually not to exceed a 30-day period. Parts are not included in the cupboard stock category.*

l. **Depreciation:** *The allocation of the cost of an asset over a period of time for accounting and tax purposes. Also, a decline in the value of property due to general wear and tear or obsolescence.*

m. **Desk top systems:** *Typically, personal computer hardware, software, and other peripheral devices, that users have on their desks.*

n. **Disposal:** *Any authorized method of permanently divesting of the control of and responsibility for property.*

o. **Expendable personal property:** *Property which, when put in use, is consumed, loses its identity, or becomes an integral part of another item of property. Examples are office supplies, automobile tires, machine parts, and installed circuit boards.*

p. **Fair market value:** *The monetary value that an agency could reasonably expect to receive for an asset in a current sale between a willing buyer and a willing seller other than in a forced or liquidation sale.*

q. **Foreign excess personal property:** *Property located in a foreign country, and under the control of a Federal agency or designee, no longer needed locally, and determined by the head of the agency that it is no longer required by the agency elsewhere. Establishments abroad are not to use the word "surplus" on disposal documents because this term is reserved for GSA use.*

r. **Government-furnished property:** *Property in the possession of, or directly acquired by, the U.S. Government and subsequently made available to a contractor.*

s. **Heritage asset:** *Antiques, works of art, and other cultural objects with historic importance, antiquity, rare quality, or intrinsic value. This includes decorative arts such as textiles, antique furniture, clocks, sterling silver hollowware, porcelain and ceramics, and attachments such as wooden panels, hand-painted wallpapers, chandeliers, and fireplace mantels. It includes fine arts such as paintings, sculpture, and unique or*

limited edition prints. It also includes other cultural property such as musical instruments and rare books.

t. International Cooperative Administrative Support Service (ICASS): ICASS is a customer-driven, voluntary interagency system for managing and funding administrative support services abroad; gives posts the authority to determine how services are delivered at what cost and by whom; has customer service standards established by the post, with the service provider formally accountable to the customer; and incorporates a full-cost recovery system through a no-year working capital fund.

u. Information technology: *Any equipment, software, or firmware or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information.*

v. Inventory: A physical count performed to determine the on-hand quantity of an item or group of items, *and verification of its condition.*

w. Invoice cost: The total of the amount paid to the vendor, including related costs such as transportation or installation, if included on the vendor's initial invoice.

x. Nonexpendable personal property: Property such as furniture, office machines, *information technology (IT)* equipment, and communications equipment, which is:

- (1) Complete in itself;
- (2) Does not lose its identity or become a component part of another item when used; and
- (3) Is of a durable nature with anticipated useful life of over two years.

y. Personal property: Personal property includes such items as vehicles, furniture, equipment, supplies, appliances, and machinery. It refers to all property not otherwise classified as land, land improvement, buildings, and structures that are normally referred to as real property.

z. Program-funded property for USAID only: Property, distinct from OE-funded property, which is procured for the achievement of a strategic objective with funds of a USAID activity or project. When title for this property is vested in USAID, and it is in USAID custody, USAID inventory records shall indicate the funding source.

aa. Program property: Specialized property associated with a unique program where the overall management and technical expertise are controlled by a single bureau or agency and which is generally funded by that bureau or agency (e.g., motor vehicles, *secure telephones*, *radios*, *tempest PCs*, and security equipment).

bb. Property accountability: *Property accountability includes responsibilities such as tracking the movements of assets, recording changes in physical condition, and verification of physical counts. Property managers exercise this responsibility and maintain proper control over an organization's assets through record keeping, effective policies and procedures, and appropriate security controls.*

cc. Property management: *The planned acquisition, efficient utilization, physical accounting, and appropriate disposition of property.*

dd. Purchase price: The cost paid to a vendor in exchange for an item of property, exclusive of shipping, packing, and storage costs.

ee. Receiving report: A record that ordered materials were received. This may take the form of a Form OF-127, *Receiving and Inspection Report*, which is minimally required in the event of a multiple-part shipment, or a handwritten notation on the acquisition document where the order is received in a single shipment. Receiving reports must be in English, indicate the item cost in U.S. currency, and have any damage or discrepancies noted.

ff. Reconciliation: Action taken to rectify discrepancies between the physical inventory and accountable property records.

gg. Replacement property: Replacement property is any personal property for which there is a continuing need on a worldwide basis by the parent agency, such as office furniture and equipment; household furniture, furnishings, and equipment; motor vehicles and automotive spare parts; tires and any other property having a continued general use. The proceeds of sale of replacement property are used to purchase similar property. Replacement property is not declared excess by the post except as noted in 6 FAM 227.1-3.

hh. Salvage: Personal property that has some value in excess of its basic material content, but which is in such condition that it has no reasonable prospect of use and its repair or rehabilitation is impractical.

ii. Scrap: Material that has no value except for its basic material content.

*jj. **Sensitive property:** Personal property, as determined by each agency, that is potentially dangerous to the public safety or security if stolen, lost, or misplaced; or that must be subject to exceptional physical security, protection, control, and accountability such as classified property, weapons, ammunition, explosives, controlled substances, radioactive material, hazardous materials or wastes, or precious metals.*

*kk. **Standardization:** The selection of a specific brand(s) or type(s) of technical equipment to the exclusion of other brands or types when it can be established that such action is necessary and in the public interest. The Department's standardization program is outlined in DOSAR 606.370.*

*ll. **Stock control records:** Property records that identify the kind and quantity of expendable and nonexpendable property in the warehouse available for issue to post activities.*

*mm. **USAID trust fund property:** Property purchased with USAID Trust Funds, to be used only for USAID activities, and accounted in inventory records in the same manner as, but separately from, USAID OE-funded personal property, and which reverts to the host country upon disposal.*

6 FAM 221.5 Authorities

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

The authorities *for this subchapter* are found under:

(1) Federal Property and Administrative Services Act of 1949, as amended;

(2) State Basic Authorities Act of 1956, sections 3(a) and 28, as amended;

(3) *Foreign Excess Property Act, as amended;*

(4) Foreign Assistance Act, as amended, sections 636 a (5) and (9) (22 U.S.C. 2396 (a) (5) and (9));

(5) 31 U.S.C. 1344; *and*

(6) 31 U.S.C., Chapter 35, Subchapter II, *Section* 3512.

6 FAM 222 REQUIREMENTS PLANNING AND USE

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

It is the objective of the U.S. Government that property acquisition be limited to the quantity and quality necessary for effective and efficient operations. Property shall not be acquired unless a bona fide need exists. *The APO should make a determination as to whether requirements for furniture and office machines can be met through the utilization of already owned items, property to initiating an acquisition document, unless furniture is being installed.*

6 FAM 222.1 Property Analysis and Management

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Immediate and long-range planning shall include the requirements for new or replacement property. The APO shall keep the PMO fully informed of proposed program and staffing needs. In turn, the PMO is responsible for verifying the analysis of needs directly with the responsible operating officers.

b. *Implementing procedures can be found in 6 FAH-1 H-200.*

6 FAM 222.2 Use Standards

6 FAM 222.2-1 Office Furniture

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Office furniture shall be limited to the least expensive furniture that meets minimum requirements.

b. Executive, middle management, and general-use office furniture, as designated by GSA, or equivalent furniture if procured from other than GSA sources, shall normally be assigned as follows:

(1) Executive furniture for officers *in a position of* grade FS-01 and above;

(2) Middle management for officers *in a position of* grades FS-02 and FS-03; and

(3) General office furniture for all other employees.

c. *Modular furniture provides an attractive work environment while improving office space utilization. The cost of systems furniture per work station is initially higher than metal or wood furniture; however, the cost savings as a result of a reduction in office space should be considered.*

6 FAM 222.2-2 Typewriters

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

Employees shall share, to the extent practical, typewriters that are not used regularly.

6 FAM 222.3 Replacement Standards

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

a. Minimum replacement standards for equipment and furniture shall be followed by establishments abroad whenever possible. They may be modified or adjusted to reflect local conditions which may affect life expectancy such as excessive sand or dust, temperature extremes, high humidity, power fluctuations, etc. Consideration may also be given to the availability, cost, and quality of local repair facilities. If variance from the standards is necessary, a policy memorandum explaining the circumstances and reasons for the change and containing alternative standards to be used, shall be maintained on file in the property office.

b. Electronic office machines such as calculators, accounting machines, cash registers, and dictating equipment (excluding word processors and other IT equipment), may be replaced after the expiration of the warranty period if the estimated one-time repair cost exceeds 80 percent of the replacement cost of a comparable new model.

c. Office machines may be replaced under the following conditions, provided a written justification supporting such replacement is retained in the procurement files:

(1) Where there is a continuing history of breakdowns with a corresponding loss of productivity through downtime;

(2) When the cumulative repair costs on a machine appear to be excessive;

(3) When repair parts are not available, causing excessive downtime;
or

(4) When a machine lacks essential features required in the performance of a particular task which is continuing in nature.

d. Where adequate local repair facilities are available, furniture (office, household, and quarters) shall not be replaced unless the estimated local cost of repair or rehabilitation, including transportation costs, exceeds 75 percent of the cost of a new item of the same type and class. (The cost is to be based on the prices of similar items in the GSA Supply Catalog, applicable Federal Supply Schedules, or the lowest available market price.) An exception is made when the rehabilitation at 75 percent or less of the cost of a new item would not extend the item's useful life for a period compatible with the cost of rehabilitation, or where the furniture does not adequately meet continuing requirements.

6 FAM 222.4 Use

6 FAM 222.4-1 Preventive Maintenance and Repair

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

(A) Preventive Maintenance

a. Machines and appliances shall be cared for in accordance with the manufacturer's recommendations.

b. It may be more cost effective to arrange servicing on a per-call basis. The determination as to whether equipment is to be serviced by the use of maintenance contracts or per-call arrangements shall be made after comparison of relative costs affecting specific types of equipment based on the following considerations:

- (1) Standard of performance required;
- (2) Degree of reliability needed;
- (3) Daily use; and
- (4) Age and performance of machine.

(B) Repair

a. The APO shall ensure that a system is established to document requests for repair of personal property and to capture data necessary for updating maintenance records. (State activities are required to maintain records only for property with an acquisition cost in excess of \$25,000, as well as all motor vehicles regardless of cost.)

b. When it is necessary to have the repair work done by a commercial repairman, authorization to place the request with a commercial source shall be restricted to an individual authorized in writing by the maintenance officer or the APO.

6 FAM 222.4-2 Property Loans

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Property may be loaned to other U.S. Government agencies, to U.S. Government employees *for authorized purposes*, to commissary/mess/recreational facilities, to U.S.-sponsored schools abroad, and loans may be made to local government sources and private organizations which support diplomatic programs; however, all loaned property must be accounted for during the annual inventory process. USAID loans to employee-operated facilities must comply with regulations contained in USAID ADS *Chapters 534 and 532*. Loans of all property (either accountable or unaccountable) must be properly documented and approved by the PMO. Loans of more than 90 days also require the approval of the PMO. A definite loan period shall be established, and loans, generally, shall not exceed 90 days. All loans shall be promptly reviewed at the end of the loan period and, if a loan extension is requested, it shall require the same approval process as the original loan request. The return of property loaned to an employee must be verified during the pre-departure clearance process.

b. Special loans: The PMO may authorize a loan not to exceed one year in exceptional circumstances if the loan would be of prime importance to a Public Diplomacy program. The termination date must be specified in the loan agreement. The agreement should provide for preventive maintenance and supervisory checks at suitable intervals. If it is to the post's advantage to renew a special loan, arrangements should be made to substitute like equipment bearing different serial and barcode numbers. A grant in accordance with A/OPE policy may be more appropriate when long-term usage is required, if the borrower qualifies as a grantee. The granted property is then removed from the inventory.

c. New property shall not be bought while similar property is on loan, *with the exception of Public Diplomacy program property*.

d. USAID or USAID/IG property: See ADS Chapter 534 on this subject. The principal officer or RIG/A shall authorize loans of property to other agencies in excess of 90 days. RIG/A shall authorize loans of security equipment; the USAID principal officer shall authorize loans of other USAID property.

6 FAM 222.4-3 Privately Owned Property

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

a. The loan of private property to the U.S. Government for use is not prohibited; however, when it is administratively determined by the post to be clearly in the interest of the U.S. Government, the loan must be formalized, setting forth the responsibilities of the U.S. Government and the lender. The U.S. Government's responsibility may not go further than ordinary protection and upkeep. If the owner requires insurance as a condition of the loan, the post should seek advice from the appropriate parent agency.

b. The post has accountability for such property and shall maintain property records, and conduct and reconcile physical inventories in accordance with regulation.

6 FAM 223 PROPERTY RECEIPT

6 FAM 223.1 General

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. The PMO shall designate, in writing, an employee to serve as receiving clerk *and an employee to serve as an alternate receiving clerk*.

b. The receiving clerk shall promptly inspect all property delivered to post as to quantity, quality, and condition, and to ensure that the property is in accordance with the terms and specifications of the acquisition document.

6 FAM 223.2 Receiving Areas

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

The receiving activities of each establishment abroad shall be centralized. However, the PMO's designation of a central receiving area does not preclude receiving and inspection at other areas. When sub-receiving areas are designated, written operating procedures shall include a method of informing the central receiving area of all receipts.

6 FAM 223.3 Receiving Responsibility

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. The receiving clerk is responsible for the receipt and inspection of all property and the preparation and distribution of receiving reports.

b. **State only:** If receiving is done on a contract basis, the contractor may perform the inspection and receiving functions but is not authorized to sign the receiving report accepting the property on behalf of the U.S. Government. Acceptance of property on behalf of a Federal agency is an inherently governmental function that is to be performed only by officers and employees of the U.S. Government, *including personnel having a personal services agreement*.

c. **USAID only:** For purposes of receiving, USAID considers personal services contractors to be U.S. Government personnel and, as such, they may perform all receiving duties, including signing receiving reports.

6 FAM 223.4 Receiving Files

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

The receiving clerk *in the central receiving area* shall provide copies of acquisition documents to the appropriate receiving area to establish a pending order file, *when applicable*. Completed centralized receiving files shall be established at the central receiving area.

6 FAM 223.5 Receiving Action

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. When the total quantity of an order is received in a single delivery, the *receiving sections on Form OF-347, Order for Supplies or Services, or Form DS-2076, Purchase Order, Receiving Report and Voucher*, may be signed and dated and used in lieu of Form OF-127, Receiving and Inspection Report. In this event, property numbers and serial numbers are recorded on *Form OF-347 or Form DS-2076*. If a partial delivery is made, Form OF-127 must be prepared. When a sub-receiving area has been established, the individual assigned to perform receiving duties at the sub-receiving area will prepare and sign the receiving *section on Forms OF-347 and DS-2076 or Form OF-127* (as appropriate). Receiving *sections on Forms OF-347 and DS-2076, as well as on Form OF-127* must be prepared in English, and the item cost must be indicated in U.S. currency. Any damage or other discrepancies shall be noted *in the receiving sections of Forms OF-347 and DS-2076, as well as on Form OF-127*.

b. Establishments abroad using the Nonexpendable Property Application (NEPA) shall immediately *affix a bar code label to* accountable, nonexpendable property (except property recorded in a group record file *and certain heritage assets*).

6 FAM 223.6 Post-Receiving Actions

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

Shipment discrepancies shall be documented and, as appropriate, a claim *Form SF-364, Report of Discrepancy*, filed. Action on discrepancies shall be prompt.

6 FAM 223.7 Warehousing and Storing Property

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. The PMO shall establish conditions to provide for an efficient, secure, and economical warehousing operation. Where it is necessary to store and warehouse property at the establishment abroad, the PMO shall implement an efficient and economical warehousing program with written procedures for handling and storage of property. Special consideration shall be given to the following:

(1) Secure and/or controlled areas shall be provided for storing expensive equipment and supplies subject to theft or deterioration;

(2) In a joint warehousing operation, *property from different activities may need to be stored separately but should not be segregated by location, to maximize the use of available space. In all cases, commingled property must be appropriately identified to show agency ownership of the property;*

(3) Firebreak wall and isolated storage shall be provided for highly flammable materials, such as paints and fuels;

(4) Proper shelving and/or racking is used for expendable and nonexpendable property;

(5) Proper materials handling equipment is used;

(6) The building shall be properly ventilated; and

(7) Proper overall safety and security procedures are established.

b. *Implementing procedures for administrative property can be found in 6 FAH-1 H-300, or the Worldwide Property Accountability System (WPAS) User's Manual for WPAS property items.*

6 FAM 224 CONTROL OF PERSONAL PROPERTY

(TL:GS-76; 01-28-2002)
(Uniform State/USAID/Commerce/Agriculture)

The PMO must establish procedures which reasonably ensure that all personal property for which an establishment abroad is responsible be controlled as prescribed in this regulation.

6 FAM 224.1 Accountability

(TL:GS-76; 01-28-2002)
(Uniform State/USAID/Commerce/Agriculture)

Accountability is that control exercised through record keeping. *Accountable property* records shall be maintained on expendable and nonexpendable stock inventory and on nonexpendable property in use, which meets the accountability criteria prescribed in this regulation.

6 FAM 224.1-1 Criteria for Accountability

(TL:GS-76; 01-28-2002)
(Uniform State/USAID/Commerce/Agriculture)

a. **State only:** Property records shall be maintained on all nonexpendable personal property, in use with an acquisition cost of \$5,000 or more *per item*. However, records for the following types of property must *also* be maintained:

(1) All expendable and nonexpendable property in stock which includes bulk fuels;

(2) Excess property being held in the warehouse pending its final disposition;

(3) Nonexpendable *residential* furniture and equipment *regardless of cost*;

(4) *Serialized property* with an acquisition cost of \$500 or more *per item*;

(5) All leased property;

(6) Property *that* is sensitive by nature and attractive for personal use, as identified by the PMO (e.g., *laptop computers, cellular telephones, cameras, and lenses*);

(7) Coupons used for the purchase of motor vehicle fuel;

- (8) *Heritage assets;*
- (9) *Vehicle repair and maintenance parts and supplies; and*
- (10) *Accountable property on loan.*

b. **USAID only:** Inventory records must be kept on all accountable property (see USAID accountable property definition in 6 FAM 221.4) and all capitalized property (see 6 FAM 221.4) whenever such property is titled with or is in the custody of USAID. Records shall indicate ownership by funding source (OE, trust fund, program-funded, RIG/A, OFDA, etc.) Report this inventory annually to M/AS/OMS.

6 FAM 224.1-2 Program Property

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Program property is *normally* accounted for by the funding organization.

b. **State only:** When program property is centrally accounted for and controlled by a headquarters office or bureau, the PMO shall delegate custodial responsibility to an officer at post for such property. Custodial responsibility for security and communications equipment is inherent in the role of the security officer and communications officer. The custodial officer shall be responsible for the conduct of physical inventory at the post and for coordinating reconciliation with the controlling office or bureau. If supplemental property records are maintained at the local level, these records shall be reconciled to agree with the central property records.

c. USAID program-funded property:

(1) Unless otherwise governed by the trust fund agreement, all nonexpendable property purchased with trust funds shall be controlled in the same manner as USAID-owned property, except that the property is marked to show that it is trust fund property, and separate accountability records are kept; and

(2) U.S. Government property in the custody of a USAID contractor is controlled and maintained in accordance with the provisions of the contract or as specified and approved by the contracting officer. When USAID contracts are completed and USAID assumes title and custody of the program-funded property from a contractor, a receiving report shall be made and the items posted to the USAID inventory. See 6 FAM 227.1-7 for USAID contractor property.

d. *All nontempest IT and word processing equipment, regardless of funding source shall be considered administrative property and accounted for on post's property records.*

6 FAM 224.1-3 Heritage Assets

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. *Antiques, works of art, and other cultural objects must be accounted for in the Department's property inventory system, Nonexpendable Property Application (NEPA).*

b. *Supporting documentation should be consolidated for permanent retention. These include the maker's names and biographies, acquisition documents, donor letters, appraisal descriptions and values, conservation or restoration treatment reports, and related published material. Specific guidelines for documenting and maintaining heritage assets can be found in the M/OBO/PE/IF guide.*

6 FAM 224.1-4 USAID Software Accountability and Disposal

(TL:GS-76; 01-28-2002)

(USAID Only)

a. Software, as an intangible property, presents some special considerations for property management and accountability. Bar coding of accountable software may be recorded in a binder containing a page for each accountable software license. In no event are missions to abrogate copyright licenses for software items. The following accountable standards apply only to USAID software in the custody of missions:

(1) **Pre-loaded software:** Operating system and software suites which come preloaded on equipment shall be entered on inventory only when they are priced separately from the equipment they reside on, and when that price is over \$100. Nonpriced preloaded software and any preloaded software priced at less than \$100 shall be treated as expendable property;

(2) **Standalone packages:** Once issued, standalone software packages shall be recorded in inventory only if their value exceeds \$100;

(3) **Site licenses:** Site and concurrent user-licenses are purchased by a work unit for permission to use software by a group, e.g., USAID Worldwide or users in a particular mission. Licenses are recorded on inventory either in USAID/W or at post, but not at both. IRM will record agency-wide licenses in Washington, DC. Missions shall record on inventory only those site licenses purchased on the mission's behalf for use in that particular mission, and only when such site license has a cost of \$100 or greater;

(4) **Upgrades:** Standalone packages and site licenses are often upgraded. The superseded version is deleted from inventory by abandonment and the upgrade license is entered in its place with a *Form OF-127, Receiving and Inspection Report*, whenever such license has a cost of \$100 or greater;

(5) **Internally developed software:** Missions that develop their own noncopyrighted software will not normally enter that property in inventory unless property rights are of concern to the developing mission, and the development costs are substantial;

(6) **Capitalized:** In the unlikely event that a mission has procured a site license or standalone software valued at the capitalization threshold (\$25,000) or higher, it shall be reported as capitalized property.

b. As software typically has a short life span, abandonment as a method of disposal (see 6 FAM 227.3) will be reached faster with software than with other types of nonexpendable property. When obsolete software is abandoned it shall be deleted from hardware; source disks, manuals, and licenses shall be destroyed concurrent with the property disposal action conducted in the inventory system.

c. When disposal of software through redistribution, transfer, sale, grant-in-aid, project contribution, or donation seems merited, missions are cautioned to follow the conditions of the licensing agreement in regard to transfer of ownership.

6 FAM 224.2 Ownership and Identification

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

All nonexpendable property shall be marked as soon as possible after receipt to indicate ownership by the agency, which funded the purchase.

6 FAM 224.2-1 Approved Property Record Systems

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. State only:

(1) For nonexpendable property: The Nonexpendable Property Application (NEPA), the Worldwide Property Accountability Systems (WPAS), the Property Accountability Management System (PAMS), and *the Automated Motor Vehicle Inventory System (AVIS) are approved systems;*

(2) For expendable supplies: Stock Control (SC) and the AESOP Expendable Supplies Application *are approved systems.*

b. USAID only: *USAID missions are required to implement BarScan, the Agency-approved off-the-shelf property management system. USAID missions requiring guidance on this system are to contact M/AS/OMS.*

6 FAM 224.2-2 USAID

(TL:GS-59; 10-01-1999)

(USAID Only)

a. All property purchased with operating expenses shall be marked USAID.

b. Property purchased with trust funds is titled to the host government and must be identified with the lettering TF.

c. Property purchased with IG funds shall be marked IG.

d. Contractors shall mark property, which is financed by USAID or host government to distinguish it from their own:

(1) USAID for USAID-owned;

(2) HG or country symbol for host government-owned; and

(3) IG for USAID Inspector General property.

e. Project property retained in the custody of USAID shall be appropriately identified as belonging to the host government with the project number indicated, where feasible to do so. In countries where host government regulations conflict with this premise, appropriate determination of marking property and accounting for property must be codified in post operating procedures.

6 FAM 224.3 Personal Custody Records

(TL:GS-76; 01-28-2002)
(Uniform State/USAID/Commerce/Agriculture)

Specialty property issued to an employee for the employee's exclusive use in the performance of official duties (such as *laptop computers*, hand-held communicators, or tool kits) are documented on Form *DS-584*, Nonexpendable Property Transaction, and the property office maintains a "charge-out file" until the property is returned.

6 FAM 224.4 Supply or Equipment Support

(TL:GS-76; 01-28-2002)
(Uniform State/USAID/Commerce/Agriculture)

The PMO shall ensure that procedures are in place to:

- (1) Maintain control of stock inventory;
- (2) Establish adequate safeguards and controls to ensure that supplies are issued for official use only;
- (3) Require approval of stock replenishment orders;
- (4) Require that excess property at post or from other posts in the geographic area is screened to determine whether the items can be supplied from either of these sources;
- (5) Ensure that cupboard stocks shall not include items *that* are attractive for personal use such as dictionaries or pen sets;
- (6) Require that:
 - (a) Spare parts in stock be treated as expendable property;
 - (b) A requisition be used to issue parts for vehicles or other equipment;
 - (c) Where applicable, used parts be turned in when new parts are issued;
 - (d) Used parts not salvageable be disposed of by sale as scrap; and
 - (e) Usable parts be added to stock control records for reissue.

6 FAM 224.5 Internal Requisitioning Procedures

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

The APO shall ensure that effective internal requisitioning and issuing procedures are established and enforced. Minimally, these procedures must ensure that:

(1) Requisitions *including Form DS-583, Expendable Supply Issue/Turn-In Request, Form DS-584, Nonexpendable Property Transaction, or Form DS-585, Nonexpendable Property Repair Work Order*, signed by authorized personnel, are used to request services, expendable and nonexpendable property, and returns to stock, and to debit or credit stock control and property accountability records;

(2) The APO approves all requests for items issued from stock or for procurement action; however, the facilities maintenance officer can approve requests for maintenance spare parts;

(3) The residence occupant must sign requests for residential personal property and the occupant or occupant's designee must sign for receipt of such property;

(4) The employee receiving property or the office supervisor in an office receiving property must sign for receipt; and

(5) Copies of completed *Forms DS-583, DS-584, and DS-585* must be maintained on file to support stock control and property accountability records.

6 FAM 224.6 Authorization to Remove Property from Buildings

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. The APO or a designated employee shall document the name of any individual removing property from a U.S. Government building and the description of the property being removed, and authorize the removal. However, this requirement may be waived by the PMO when local conditions make it impractical or unnecessary such as at very small posts.

b. *Implementing procedures can be found in 6 FAH-1 H-400.*

6 FAM 225 ACCOUNTING

6 FAM 225.1 Recording Property Cost

6 FAM 225.1-1 Property Acquired through Purchase

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. *The cost of nonexpendable property that is acquired by purchase shall be recorded on property records in U.S. currency, unless purchased using trust funds at full cost (see 6 FAM 221.4-3).*

b. **USAID only:**

(1) **Noncapitalized accountable property:** USAID shall record as property cost the purchase price as defined in 6 FAM 221; and

(2) **Capitalized property:** USAID shall record readily identifiable shipping, packing, and handling charges for capitalized items whenever the cost of the capitalized item plus the other charges exceed \$25,000.

c. When the cost of an item cannot be determined, estimate the fair market value at the time acquired.

6 FAM 225.1-2 Property Acquired through Transfer or Donation

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

(A) **Transfer**

a. If the property has depreciated, the property shall be recorded at the transferor's depreciated value, even if the transferor has a different depreciation policy. If the depreciated value is under \$25,000 *per item*, the property is considered to be noncapitalized property and shall not be depreciated further by the transferee.

b. If the transferor has not recorded depreciation, the property shall be recorded at the transferor's original book value. The transferee shall then record accumulated depreciation equal to the amount it would have recorded if it had originally acquired the property.

c. *The cost of heritage assets transferred from other Federal entities shall be the book value of the asset recorded on the transferring entities' books. If the receiving entity does not know the book value, the fair market value shall be recorded in the post's property inventory. If fair market value is not estimable, information related to the type and quantity of assets transferred shall be recorded.*

(B) Donation

Donated property shall be recorded at fair market value, including transportation charges or other costs connected with placing the property in use.

6 FAM 225.1-3 Acquisition Involving a Trade-In Allowance

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

a. The cost of property acquired as a result of trade-ins shall be recorded at the lesser of:

(1) The cash paid and/or liability incurred plus the net book value of the trade-in property; or

(2) The amount that the purchase price would have been without trade-in.

b. **USAID only:** Exceptions apply when conditions prevail as stated in 6 FAM 225.1-1, paragraph c.

6 FAM 225.2 Capitalization and General Ledger Accounting

6 FAM 225.2-1 Capitalized Personal Property

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Nonexpendable personal property having an *acquisition* cost of \$25,000 or more *per item* and an estimated service life of two years or longer is considered to be capitalized property:

(1) **State only:** Motor vehicles are capitalized property regardless of cost;

(2) **USAID only:** Motor vehicles are capitalized property only when the cost, including shipping, is \$25,000 or greater.

b. Program property for which accountability has not been delegated will be capitalized by the program office and reported by that office to *FMP* in accordance with 6 FAM 229.3.

c. USAID OE capitalized property is reported to USAID/W, M/FM/CAR for depreciation.

d. **State only:** *IT* software with an expected useful life of two years or longer, purchased from outside the agency, with an invoice cost of \$100,000 or more, is capitalized property. *IT* software that is developed within the agency by direct-hire or contract employees shall be capitalized if the expected useful life is two years or longer and the cost of direct-hire or contractual services exceeds \$250,000, excluding software maintenance costs. The cost of subsequent program modification shall be added to the depreciated capitalized value and, where appropriate, the expected useful life shall be adjusted. Accountability for *IT* software developed within the agency will be the responsibility of the organization that developed it.

6 FAM 225.2-2 Depreciation of Capitalized Personal Property

(TL:GS-76; 01-28-2002)
(Uniform State/USAID/Commerce/Agriculture)

While most property acquisitions are accounted for as operating expenses, capitalized personal property is depreciated to account for the cost of ownership over the period of its useful life and *show a decline in the value of property due to general wear and tear or obsolescence*.

6 FAM 225.2-3 Coordination of Property and Fiscal Accounting Records

(TL:GS-76; 01-28-2002)
(USAID Only)

See ADS 629 for policy and procedures on accounting requirements for USAID-owned property.

6 FAM 226 PHYSICAL INVENTORY AND RECONCILIATION

6 FAM 226.1 General

(TL:GS-76; 01-28-2002)
(Uniform State/USAID/Commerce/Agriculture)

a. Physical inventory of residence furniture, furnishings, and equipment in use shall be taken at the time of change of occupancy and the inventory shall be immediately reconciled with the Residential Custodial File. Physical inventory of all other personal property (including expendable and nonexpendable warehouse stock), repair and maintenance parts and supplies, and medical supplies and drugs shall be taken annually and immediately reconciled with the property records.

b. **State only:** Special Embassy Program Posts (*SEPs*) shall conduct these inventories biennially on even numbered years. Taking the inventory

on both odd and even numbered years, also, is optional. *More frequent inventories of sensitive items such as weapons, laptop computers, cellular telephones, cameras, and lenses are recommended and would be a valuable management practice.*

c. Although a "blind" inventory is to be taken (i.e. the count is made without reference to any previous inventory, property records, or other listing of property) when taking the inventory with a scanner, posts using NEPA, WPAS, or other approved automated systems may take along the Inventory Listing by Location Report. However, the APO shall question any manual entry to the scanner.

6 FAM 226.2 Annual Physical Inventory

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce)

a. To minimize the disruptive influence on the office routine, the scheduled dates of the physical inventory shall be announced in advance so that offices are expecting the inventory teams.

b. The APO shall ensure that an inventory supervisor is assigned to control and coordinate inventory activities.

c. The individual responsible for property records maintenance, generally, shall not participate in the physical inventory count, *if possible, to maintain adequate separation of duties.* The inventory taker(s) is responsible for making an actual physical verification check of each nonexpendable property item *and verifying its condition.*

d. It is recommended that the systems manager participate in the inventory of *IT* equipment.

e. A physical inventory and reconciliation file must be kept in the property office for three complete fiscal years. The file must contain:

(1) A copy of any Form OF-127, *Receiving and Inspection Report*, covering inventory overages;

(2) A copy of any Form OF-132, *Property Disposal Authorization and Survey Report* (for State), or *Form AID 534-1, Personal Property Disposal Authorization and Report* (for USAID), covering inventory shortages;

(3) A copy of *Form DS-582, Property Management Report*, and, for posts using NEPA, a copy of:

(a) Comprehensive Report;

(b) Visual Report;

- (c) Inventory Coverage Report;
- (d) Missing Property Report;
- (e) Automatic Adjustment Report; and

(f) *For posts using WPAS, a copy of the Annual Accountable Item Inventory, along with the specific accountable certificate.*

f. *Agriculture only:*

(1) *Inventories are to be submitted to the International Services Staff on March 15 each year;*

(2) *FAS is responsible for conducting annual physical inventories.*

6 FAM 226.3 Residence Furniture and Equipment

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. A separate inventory file shall be created for each residence and the physical inventory of property assigned to the residence shall be taken at the time of change of occupancy. See 6 FAM 710 for additional inventorying and reporting requirements necessary for *M/OBO* purposes. The inventory must be signed by all parties participating in the count. After reconciliation has taken place, the signed original is retained in the residence inventory file and a copy is given to the occupant. Signed documents for all subsequent transactions shall be maintained in this file to debit or credit the original inventory.

b. The residence inventory file is maintained until the resident departs. It is then placed in the inactive files along with a copy of any Form OF-132, Property Disposal Authorization and Survey Report, *for State or Form AID 534-1, Personal Property Disposal Authorization and Report, for USAID* that may have been prepared to report missing or damaged property. The file may be disposed of after three complete fiscal years providing any damaged or missing property issues have been resolved.

c. *When WPAS property is issued for use on a hand receipt at a residence, the information resource management officer (or equivalent) shall update the WPAS property records to reflect the current name and location of the property.*

d. USAID principal officer residences: Furnishing limitations and annual certification requirements for USAID directors and representatives, are specified in 6 FAM 773 Exhibit 773.2A item (a), 6 FAM 773.6-2, and 6 FAM 779.2-2.

e. When any residence is inventoried for an outgoing occupant, the APO shall sign and date the following statement on the inventory (if possible liability for damages exists, the certification shall remain unsigned until all problems have been resolved):

I certify that all items listed in this inventory have been returned in good condition and that any determinations of the PMO or a property survey board have been complied with. The occupant is hereby relieved of responsibility for the property in this residence.

f. When the residence is inventoried for an incoming occupant, the occupant shall sign and date the following statement on the inventory listing:

"I acknowledge receipt of the property listed in this inventory. Except for normal wear and tear and circumstances beyond my control, I accept financial responsibility for damage or loss of property caused by me or members of my household. It is understood that the extent of my liability for damaged or lost property will be determined by the PMO or a property survey board."

g. The inventory shall be taken and the above statement signed within 30 days of the arrival of the occupant.

h. If an outgoing occupant's residence inventory reveals shortages or damages other than normal wear and tear, such shortages or damages may be payable by the occupant. The APO reports shortages and damages on Form OF-132 for State or Form AID 534-1 for USAID. The occupant is not relieved of responsibility until the results of the pending survey action have been completed and the APO has accepted responsibility for the results of the inventory and reconciliation.

6 FAM 226.4 Reconciling the Annual Inventory

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. When discrepancies are found between the physical inventory count and the property record balances *that* are not traceable to errors in record keeping, immediate action shall be taken to resolve the discrepancies.

b. In cases involving inventory shortage where the dollar value does not exceed one percent of the total expendable inventory value or one percent of the total nonexpendable inventory value, the PMO may authorize inventory adjustments when satisfied that efforts to reconcile have been reasonable and sufficient.

c. Action to resolve discrepancies apply to residence inventories, annual expendable and nonexpendable inventories, and "spot check" inventories.

d. Inventory overages must be documented and recorded in the property records. **INVENTORY OVERAGES DO NOT OFFSET INVENTORY SHORTAGES.**

e. **USAID only:**

(1) *Distribute one copy each of Form AID 534-1 to the PMO, the USAID Controller, USAID/W (M/AS/OMS), and the Property Disposal file;*

(2) Missions are to provide a copy of their nonexpendable property inventories to M/AS/OMS by no later than November 15 of each calendar year. RIG/A, HG, AND OFDA property shall be identified separately;

(3) For capitalized property only, the dollar value shown on property records shall be reconciled with the dollar value on the USAID controller's general ledger accounts. After reconciliation, the property records are adjusted to reflect any change. The USAID controller makes corresponding adjustments in the general ledger accounts to reflect the value of capitalized property accounts.

f. After all reconciling action has been accomplished and approval received from the PMO, records adjustments are made before *Form DS-582, Property Management Report*, is signed.

6 FAM 226.5 Reporting Lost or Damaged Property

6 FAM 226.5-1 Implementation

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

(A) APO Action

The APO must immediately report missing, damaged, or destroyed property to the PMO on Form OF-132, Property Disposal Authorization and Survey Report *for State or Form AID 534-1, Personal Property Disposal Authorization and Report, for USAID*. The PMO or the property survey board, as appropriate, will act on the report. Findings and decisions serve to relieve the APO of accountability for the property and establish whether employees are personally financially liable for damaged or missing property. If it is determined that the damage resulted from carelessness, negligence, or other fault of an employee, that employee may be required to pay the cost of repairing or replacing the property, *including any associated shipping costs*.

(B) PMO Action

a. In cases where the acquisition cost of the property is under \$1,000 per item, the PMO shall make a determination of employee liability, shall determine what corrective actions are necessary, and shall authorize adjustment of inventory records. If an employee contests the PMO's decision on liability, the PMO shall refer the case to the property survey board. The PMO shall refer all reports on property with an acquisition cost of \$1,000 or more per item, or when theft is suspected, regardless of cost, to the property survey board.

b. When an inventory shortage is involved and the dollar value is one percent or less of the total expendable inventory value, or of the total nonexpendable inventory value, the PMO shall determine what corrective actions are necessary and shall authorize adjustments to the inventory records. *If theft or fraud is suspected as accounting for the shortage, the PMO shall report all relevant information to the Office of the Inspector General, Office of Investigations (OIG/INV).* When the value of the shortage exceeds one per cent, the PMO shall refer the report to the Property Survey Board. The PMO must forward a copy of Form OF-132 *for State or Form AID 534-1 for USAID*, including a list of the missing items to the Office of Inspector General, Office of Investigations (OIG/INV), at the same time the report is sent to the post's property survey board.

c. Cases involving loss, damage, or destruction of program property, *with the exception of motor vehicles*, or that which is caused by a civil disturbance or acts of God shall be referred to the property survey board, regardless of the dollar value involved.

6 FAM 226.5-2 Property Survey Board

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. The property survey board acts on reported instances of missing, damaged, or destroyed U.S. Government-owned expendable and nonexpendable personal property referred by the PMO. The board has the authority to hold an employee financially liable, and to determine the extent of liability, for property that is missing, damaged, or destroyed as a result of negligence, improper use, or willful action on the employee's part, and to establish the amount of liability.

b. Property survey board composition:

(1) **State only:** The heads of Foreign Service posts shall designate in writing a property survey board consisting of a chairperson, secretary, and a third member, with provisions for alternates. Neither the PMO nor members of the PMO's staff, the APO nor members of the APO's staff, the individual involved nor the immediate supervisor of an individual involved in a survey action, shall be a member of the survey board. If any member is thus ineligible, the board chairperson shall appoint an alternate replacement for that particular survey action;

(2) **USAID only:** At posts where USAID manages its own property and does not participate in ICASS or like agreement, the principal USAID officer will designate a survey board consisting of U.S. direct-hire Foreign Service employees.

c. **Closing USAID missions abroad:** The Director, Administrative Services, M/AS/OD, shall have authority to appoint a survey board to handle matters involving property accountability.

d. **State only:** The post PMO shall forward copies of completed survey reports about missing property to the *Agency* PMO and the Director, A/LM/PMP, will send copies to OIG/INV.

e. **State only:** *When WPAS property is involved, the Information resource management officer (or equivalent) shall forward a completed copy of the OF-132 to A/LM/PMP/BA/PM/WPAS.*

6 FAM 226.5-3 Employee Liability

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Employees will not be held liable for loss, damage, or destruction attributable to inexpert use, inadequate supervision, or inherent defects in the property.

b. The amount of liability for damaged property shall be the cost of repairs (including shipment to and from the place of repair) or the estimated cost of repair if the property is not repaired.

c. The amount of liability for missing or destroyed property is based on the depreciated value (using straight line method) of the item. Minimum liability level *is* set at 10 percent of the acquisition cost of the item, except for antiques, *works of art, and cultural heritage objects that are not depreciated. If a deliberate or preventable action, such as unauthorized repair, results in diminished or negated value, the employee may be assessed up to the fair market value.*

d. If an unaccountable property item is involved and the acquisition cost cannot be determined, the fair market value (less any salvage value) is used for reimbursement purposes.

e. When action on a property survey report is complete, the PMO shall ensure that fully completed copies of Form OF-132 *for State or Form AID 534-1 for USAID* are forwarded to:

(1) An employee held liable for lost or damaged property, accompanied by a demand for payment. Payment of such a billing does not convey title of the property;

(2) An employee involved in a survey report action but cleared of any liability; and

(3) An employee other than the employee responsible for the damage or loss, who has signed Form *DS-584*, Nonexpendable Property Transaction, covering property on loan.

6 FAM 226.5-4 Employee Appeal

(*TL:GS-76; 01-28-2002*)

(*Uniform State/USAID/Commerce/Agriculture*)

a. **State only:** On those reports where the decision is made by the PMO and the employee contests the decision, the decision shall be reviewed by the Property Survey Board. On those reports where the decision is made by the Property Survey Board and the employee contests the decision, the decision shall be reviewed by the chief of mission. On those reports where the decision is made by the chief of mission and the employee contests the decision, the decision shall be reviewed by the *Agency Property Management Officer (Managing Director, Program Management and Policy (A/LM/PMP))*, whose determination shall be final.

b. **USAID only:** If the employee contests the decision of the PMO or the Property Survey Board, the report is forwarded to the USAID principal officer, whose decision is final. USAID principal officers may appeal the Property Survey Board's decision to USAID/W, M/AS/OMS, whose decision is final. For USAID missions that have been closed, the employee's appeal is directed to the Chief, M/AS/OMS, whose decision shall be final.

6 FAM 226.5-5 Reimbursement by Employee

(*TL:GS-76; 01-28-2002*)

(*Uniform State/USAID/Commerce/Agriculture*)

a. If an employee is held liable for the loss, damage, or destruction of U.S. Government-owned personal property, reimbursement shall be secured before the employee's departure from post. If a contract employee is involved, refer to FAR 45.504.

b. Reimbursement shall be made to the account of the agency that owned the property:

(1) **State:** *The B & F section will credit the appropriate account based on the source of the funding for the asset. Reimbursement may be made in cash or by check payable to the U.S. Department of State;*

(2) **USAID:** The controller shall credit the appropriate account.

c. If the employee is held liable and the employee still does not consent to reimburse the U.S. Government or has departed post, the case will be forwarded to M/FMP *for State* or M/FM/P *for USAID* for collection of debt. *Implementing procedures can be found in 6 FAH-1 H-700.*

6 FAM 227 DISPOSAL OF PERSONAL PROPERTY

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

Implementing procedures can be found in 6 FAH-1 H-227.

6 FAM 227.1 General

6 FAM 227.1-1 Policy

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

a. Personal property scheduled for disposal by Foreign Service posts shall be disposed of in such a manner as to be:

- (1) Consonant with U.S. foreign policy;
- (2) Consistent with applicable local laws and customs; and
- (3) In conformity with existing treaties or agreements.

b. Because of the inherent risks associated with hazardous chemical materials, it is important that any group or person receiving these items be adequately informed of the associated hazards and how to use the material(s) safely. Further information on hazardous wastes is contained in Section 1.13 of the Safety, Occupational Health and Environmental Management Resource Guide.

6 FAM 227.1-2 Classification of Unneeded Property

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Personal property scheduled for disposal by Foreign Service posts is either classified as replacement property or as foreign excess property.

b. Property which is t sold or exchanged for replacement is not considered "excess," since such an action merely represents the conversion of an asset as whole or part payment for a new item of similar property. Replacement property is either redistributed to other posts of the parent agency, transferred to another agency, or sold and the sale proceeds are used for the procurement of similar property. For reporting proceeds of sale, State activities should refer to 4 FAM. Proceeds of sale for USAID personal property must be deposited to: Budget Clearing Account 72F3845 Proceeds from Sales of Personal Property U.S. Agency for International Development. *For Agriculture proceeds of sale for FAS property must be deposited in Agency/Bureau 12/29, account 12 F 3845.029. A copy of deposit voucher should be faxed to FAA/ISS.*

c. When an agency declares personal property to be foreign excess, it underlines the fact that there is no projected need by the owning agency for such property. Therefore, this property is not needed for redistribution and will not be sold for replacement purposes.

6 FAM 227.1-3 Approval for Foreign Excess Classification

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

a. **State only:** Contact A/LM/PMP/BA/PM prior to classifying property as foreign excess.

b. **USAID only:** Property may not be classified as foreign excess without approval of M/AS/OMS.

6 FAM 227.1-4 Classified Material Inspection

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Prior to the removal of unneeded property from offices for return to the warehouse, *all classified information/material shall be removed.*

b. Combinations shall be reset to factory standards 50-25-50 for safe files and 10-20-30 for padlocks used with bar-lock cabinets.

c. *Form DS-586, Turn-In Property Inspection Certification, must be completed certifying that a search for classified material has been completed on all pertinent furniture items and equipment.*

d. *Arrangements for removal of the property shall not be made until these actions have taken place.*

6 FAM 227.1-5 Program Property Disposal

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Program property, such as motor vehicles, security equipment, and communications equipment, shall not be disposed of without specific authorization from the controlling office, bureau, or agency.

b. **State only:** See 6 FAM 228.8 for disposal of motor vehicles.

c. **USAID only:** For guidance on disposal of USAID program-funded property, see 6 FAM 227.1-7 and ADS 534.

6 FAM 227.1-6 Trust Fund Property Disposal

(TL:GS-47; 11-22-1996)

(USAID Only)

The disposal of trust fund property shall be in accordance with the terms and conditions of the Trust Fund Agreement. In the absence of a trust agreement, the disposal of trust fund property shall be in accordance with the procedures of this regulation:

(1) Return the property to the host government, obtain a receipt, and adjust the property records; or

(2) The sale of trust fund property must be authorized by the Trust Fund Agreement or obtain host government permission. In the absence of approval and if property is not returned, the property is sold and the proceeds are deposited in the trust fund account. Separate documentation is always used.

6 FAM 227.1-7 USAID Project Property/Contract Property

(TL:GS-76; 01-28-2002)
(USAID Only)

a. Project property will be titled in accordance with the terms of the Project/Strategic Objective Agreement or acquisition or assistance instrument.

b. Regulations pertaining to the transfer or disposal of program-funded property titled with USAID are found in USAID ADS Chapter 534.

6 FAM 227.1-8 Disposal of USAID Personal Property to Non-U.S. Government Agencies

(TL:GS-76; 01-28-2002)
(USAID Only)

Disposal of USAID personal property by donation can be made to organizations qualified to receive assistance under Section 607(a) of the Foreign Assistance Act of 1961, as amended (friendly countries, international organizations, the American National Red Cross, and voluntary agencies), provided that *USAID/W* approves the disposal of property as foreign excess, and a Section 607(a) determination has been executed for the recipient in accordance with Chapter 7, Direct Acquisition Program, of Handbook 16, Excess Property. A request for disposal of USAID-owned property under a Section 607(a) determination shall be addressed to: M/AS/OMS Attention: Overseas Management Support.

6 FAM 227.1-9 Disposal of Property Acquired by Means other than New Procurement

(TL:GS-59; 10-01-1999)
(Uniform State/USAID/Commerce/Agriculture)

Replacement property acquired by means other than new procurement may not be sold or exchanged until one year from the date of transfer without prior approval from the parent agency.

6 FAM 227.2 Implementation

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

Personal property that is no longer needed by an office is reported to the general services office for reassignment to other offices or return to the warehouse.

6 FAM 227.3 Methods of Disposal

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. All property disposal actions must be documented on Form OF-132, Property Disposal Authorization and Survey Report, *for State or Form AID 534-1, Personal Property Disposal Authorization and Report, for USAID* and be subjected to a formal disposal process. Separate reports are prepared for expendable and nonexpendable property.

b. There are seven acceptable methods of property disposal, and the disposal shall be in the following order:

- (1) Redistribution to establishments within the parent agency;
- (2) Transfer to another agency or commissary/mess/recreational facility;
- (3) Sale or exchange;
- (4) *State only*: Disposal by Grant to further Public Diplomacy objectives in accordance with Grants Policy Directive *Number 13* issued by A/OPE (see 6 FAM 227.3-7);
- (5) *USAID only*: Grant-in-aid or project contribution;
- (6) Donation; and
- (7) Abandonment or destruction.

c. In determining the method of disposition most beneficial to the U.S. Government, consideration must be given to the following:

- (1) Condition of the property;
- (2) New and present value;
- (3) Bona fide need by other posts abroad of the parent agency (taking into consideration the cost of storage, packing and shipping, and other related costs);

- (4) Local sales interest and value;
- (5) Other U.S. Government *agency* needs and willingness to purchase;
and
- (6) *USAID only*: Host-government and project needs.

6 FAM 227.3-1 Redistribution of Replacement Property

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

a. Redistribution to other posts is the primary method of disposing of replacement property. The property being redistributed must be in good condition and the cost of packing and shipping must be economically compatible with the cost of acquiring new property.

b. **USAID only**: If the PDO determines that property is appropriate for redistribution to nearby posts, the PDO shall notify USAID/W, M/AS/OMS, of this decision. M/AS/OMS will notify posts within the geographical area, or worldwide, of the availability of property for redistribution and allow for a 15-day or earlier response, depending on the disposing mission's urgency to remove the property. M/AS/OMS will notify the missions selected to receive available property. USAID/W, M/AS/OMS makes the final determination on competing requests for redistribution of property.

c. Redistribution will be made without reimbursement, except that the receiving post shall pay for packing transportation and any other costs incident to the transaction.

d. All redistribution actions shall be documented.

6 FAM 227.3-2 Transfer

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Transfer to other U.S. Government Agencies:

(1) When no response is received to offers of property to other posts within the geographic area, other U.S. Government *Agencies* at the post location shall be notified of the availability of the property. Property can be transferred providing:

(a) The requesting agency certifies that a bona fide need exists; and

(b) The receiving agency pays packing, shipping, and all other costs incident to the transfer;

(2) Agencies offering replacement property for transfer shall require reimbursement not greater than the best estimate of the gross proceeds if the property were to be sold on a competitive basis, or the dollar value offered on a trade-in basis;

(3) All transfer actions shall be documented;

(4) A requesting agency receives the foreign excess property on a *nonreimbursable* basis.

b. USAID only:

(1) The PMO shall obtain USAID/W, M/AS/OD approval for disposal of personal property as foreign excess. The request shall state the reasons and requirement of the requesting agency;

(2) When foreign excess property is available, and before returning it to the United States, consideration shall be given for its use under provisions of sections 214(b) and 607 of the Foreign Assistance Act of 1961, as amended. First preference shall be given to situs country before notification of its availability is made to other USAID missions;

(3) Transfer of unneeded USAID replacement property may be made at no cost to a U.S. school abroad already receiving sponsorship from USAID through the Foreign Assistance of 1961, Part 636d. To do so, the mission PDO must first get permission from M/AS/OMS by explaining why this disposal method is preferred over redistribution to another USAID mission or by sale at post, and will give the inventory value and estimated open market value of the items requested for donation. If M/AS/OMS approves the donation, it will notify the appropriate USAID/W finance office of the donation so that the USAID contribution to support of U.S. schools abroad will reflect this cost.

c. **Foreign Excess Property:** If foreign excess property is not required by other Government Agencies at the post for authorized programs, the PMO will determine whether it would be in the interest of the United States to return the property to the United States for further Federal use or donation (FPMR 101-43.5). The quantity must be substantial and consideration shall be given to whether transportation and accessorial costs would make return of the property a cost-effective action. Authorization must be granted by the parent agency prior to any return action. The post shall provide the parent agency with full description, quantities, value, age, and condition of the property.

d. **State only:** Transfer to commissary/mess/recreational facilities or U.S.-sponsored schools abroad:

(1) Transfer of unneeded (replacement or foreign excess) property may be made at no cost to commissary/mess/recreational facilities or to U.S.-sponsored schools *abroad*, providing that the receiving activity shall certify that a bona fide need for the property exists and that it is not being acquired for resale. All transfers shall be documented and shall require the approval of the PMO. USAID activities must also comply with specific regulations in ADS 534 and ADS 532;

(2) If the acquisition cost of the property transferred exceeds U.S. dollars \$2,000, the approval of the executive director of the regional bureau or IO, as appropriate, is required.

6 FAM 227.3-3 Sale or Exchange

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. If foreign excess is not disposed of by transfer or return to the United States, it may be sold if this method is in the best interest of the U.S. Government. The proceeds from sale of any foreign excess personal property, when sold abroad, are deposited in the Treasury as miscellaneous receipts.

b. If replacement property cannot be redistributed or transferred, it may be sold or exchanged, as explained below:

(1) The property may be sold and the proceeds from sale used for the acquisition of similar property, either by the selling establishment or by the parent agency, on a worldwide basis (see 4 FAM);

(2) *For items in representational residences and all antiques and works of art, posts must request instructions from M/OBO/PE/IF prior to sale;*

(3) *USAID only: When USAID property is involved, proceeds of sale are returned to USAID's Budget and Clearing Account 72F3845;*

(4) The property may be exchanged in whole or in partial payment for similar items.

c. The types of sales used are sealed bid, spot bid, auction, and negotiated.

d. Except where the nature or condition of the property does not permit, or when local conditions prohibit, advertising shall be used for all types of sales.

e. The distinction between foreign excess property and replacement property must always be maintained.

f. The PDO must be a witness to key disposal activities on sale day.

g. When the sale is a sealed-bid sale, the PDO shall use a locked bid box for depositing and storing bids until the announced bid-opening time. The bid box shall be secured in a safe during nonworking hours and the bid-box key shall be secured separately.

h. Expenses incurred in connection with the sale may be paid from the proceeds and only the net proceeds deposited. Expenses *that* may be deducted include advertising, auctioneer fees, custom fees, duties, taxes, commercial transportation, casual labor, and equipment rentals. Expenses *that* may not be deducted include regular salary or overtime payments to contract or direct-hire employees of the U.S. Government (see 4 FAM).

i. Sales documents shall forbid the importation of such property into the United States unless the Secretary of Agriculture (in the case of any agricultural commodity) or the Secretary of Commerce (in the case of any other commodity) determines that its importation will relieve domestic shortages or otherwise be beneficial to the U.S. economy. The purchasers shall also pay any customs duties, local taxes, or other charges imposed by the foreign government concerned, and shall furnish copies of receipts proving such payments prior to the release of the property.

j. With the exception of individuals who initiate, authorize, or directly control the sale of Government property (i.e. PMOs, APOs, or PDOs), or anyone acting on their behalf, U.S. citizen employees and their relatives may participate in competitive, publicly advertised sales of property authorized for disposal, provided the employee certifies in writing:

(1) That the property is for the employee's personal use;

(2) That the employee will not sell the property during the employee's tour at the post except to another U.S. Government citizen employee who will make a similar written certification; and

(3) That, if at the end of the employee's tour, the employee sells such property to persons not having duty-free privileges, the employee will certify, in writing, to the PDO that local taxes and other obligations have been satisfied. Failure to comply with this requirement could result in disciplinary action.

k. With the exception of individuals directly involved in selecting items to be disposed of or immediately involved in the preparations for or conduct of the sale or anyone acting on their behalf, Foreign Service national employees, personal service contractors, employees of contractors, and their relatives, are authorized to participate in publicly advertised, competitive bid sales. However, a successful bidder must certify that the property is for his or her personal use and must pay local customs duty and any taxes due.

l. The principal officer at post may withhold the sale of property to all U.S. citizen employees if, in the principal officer's judgment, it is not in the interest of the U.S. Government.

m. The proceeds from the sale of any foreign excess personal property are deposited in the Treasury as miscellaneous receipts.

n. Risk of Loss: Unless otherwise provided in the invitation, the Government will be responsible for property subsequent to its being available for inspection and prior to its removal. Any loss, damage, or destruction occurring during such a period will be adjusted by the PDO to the extent it was not caused directly or indirectly by the purchaser or the purchaser's agent or employees.

o. Negotiated Sale: Property may be sold on a negotiated basis if the estimated fair market value of the property is \$1,000 or less, and at least two attempts to sell the property competitively were unsuccessful either because there were no bidders or because the bids were unreasonable (prior bidders must have the opportunity to submit offers on the negotiated sale). Large quantities may not be divided to meet the \$1,000 limit. Negotiated sales are also permitted when an emergency exists which does not allow sufficient time to advertise a competitive sale. This method of sale is used only in special circumstances and requires written justification by the PDO and approval by the PMO.

p. Property shall not be sold to U.S. Government employees or their relatives or Government contractors or their relatives on a negotiated basis.

q. Authority is delegated to Foreign Service posts to dispose of salvage or scrap material by sale. Proceeds from sale of such material shall be deposited in the Treasury as miscellaneous receipts.

r. Replacement property that cannot be redistributed or transferred may be exchanged in whole or in partial payment for similar items.

s. Personal property shall not be offered or sold on credit.

6 FAM 227.3-4 Project Contribution or Grant-in-Aid

(TL:GS-76; 01-28-2002)

(USAID Only)

(A) Property Transfer—General

a. Transfer of U.S. Government personal property (where title is with USAID, and/or custody is with a PASA group (PASA group is defined as “participating agency employees appointed as noncareer Foreign Service officers assigned abroad for one year or more”) or a contractor) to the cooperating government may be accomplished in one of two ways: By project contribution or grant-in-aid:

(1) Property transferred to a ministry or agency under project contribution must be a commodity item aligned with a particular project;

(2) Transfer of any U.S. Government property under grant-in-aid must also be to a designated ministry or agency of the host government and transfers should clearly be defined for official purpose, such as carrying out the broad objectives of the country program.

b. Written requests for transfer of property by either method must be indicated by an official agency of the host government and sent to the USAID Director stating the requirements, purposes, and objectives. The director will sign the bilateral transfer agreement based upon staff clearance and signatures presented on clearance copy (see 6 FAH-1).

c. Property aged or worn to a condition of liability shall not be transferred to the cooperating government except in a particular circumstance, such as when the local government desires, sponsors, or approves a program of technical, mechanical, or electrical training; USAID may then transfer worn vehicles, refrigerators, typewriters, air conditioners, etc., to assist in such training programs. Host-government sanction is necessary because such rehabilitated equipment would normally be subject to customs duties and taxes; therefore, final utilization or disposition by the local training group should be clearly established and understood in advance.

d. Administrative management:

(1) Grant-in-aid property shall be assessed in dollars at fair market value or depreciated value. This amount may be used as an offset credit to the country program if USAID considers it feasible and prudent;

(2) *Form AID 534-1* is completed to account for required adjustments to acquisition costs on property records and fiscal account records;

(3) Property transferred shall be on an as-is where-is basis;

(4) USAID shall not employ either transfer method as a convenient or expeditious device for property disposal;

(5) USAID officers must refrain from intimating commitment of property prior to internal discussion and approval; and

(6) Normally and logically, property must be on USAID's records in order to effect a grant or contribution to the host government. However, this administrative procedure is sometimes unrealistic; for example, when U.S. Government property in custody of a contractor (that is, not on USAID's property records) is to be transferred to the host government. These transfers may be done directly by USAID without debiting and immediately crediting USAID records for the sake of formality. However, in such cases, total documentation must be recorded to satisfy any future audit. Another example would be when property is located at a distant project site and continued use there is planned.

(B) Project Contribution

When the responsible officer of USAID and the cooperating government have agreed to the transfer of U.S. Government property to a specific project, the transaction shall be documented as follows:

(1) The assigned transfer agreements list property to be transferred. The transfer agreement shall constitute an addendum to the Project Agreement (see 6 FAH-1);

(2) A "fair market value" assessment of the property in dollars shall be shown on the addendum. This dollar value is informational for the purpose of audit and property accountability;

(3) It is not necessary to include the total value in the financial plan nor does a Project Implementation Order/Technical Services (PIO/T) need to be prepared;

(4) If commodities are applied to a new project, it may be appropriate to assess the fair market value total against the project. The property agreement shall be adjusted accordingly; and

(5) One copy of the transaction should be forwarded to the respective USAID/W regional bureau's program office for appropriate action and information.

(C) Grant-in-Aid

a. Upon receipt of a request for personal property under grant-in-aid from a ministry or agency of the cooperating government, the USAID Director shall:

- (1) Order inquiry into availability of property for transfer;
- (2) Determine the merit of the declared purpose; and
- (3) Approve (*with prior M/AS/OMS approval*) or reject the request.

b. If approved, the format shown in 6 FAH-1 may be used.

6 FAM 227.3-5 Donation

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

If personal property cannot be disposed of by redistribution, transfer, or sale, and has little or no commercial value, or if the cost of handling and storage would exceed the estimated proceeds of sale, it may be considered for donation by the holding agency to nonprofit educational, public health, welfare, charitable, scientific, literary institutions, and international bodies in which the United States participates, located in the country in which the property is situated. First consideration shall be given to those institutions which are organized under the laws of the United States, or any of its subdivisions; or which are supported in whole or in part by taxes of the United States or any of its political subdivisions; or which are exempt from taxation as a nonprofit organization. The donee shall pay all transportation and accessorial costs to move and install the donation at the donee's location.

6 FAM 227.3-6 Abandonment or Destruction

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Disposal of property by destruction or abandonment is executed as a last resort. The PDO must document efforts to dispose of the property by all other disposal options indicated in this section. The destruction or abandonment shall be witnessed by an employee as well as the APO or the PDO and a certificate of destruction or abandonment shall be prepared and signed.

b. Abandonment or destruction of hazardous materials can result in significant safety and health problems or environmental contamination. Therefore, before this option is implemented, contact the *Safety, Health, and Environmental Management Division (M/OBO/OM/SHM)* for guidance.

6 FAM 227.3-7 Public Diplomacy Equipment Grants

(TL:GS-76; 01-28-2002)
(State Only)

New or used personal property, when acquired with Public Diplomacy funds (account PD 0113.P only), can be disposed of through Public Diplomacy grants when post officials determine that this action will further U.S. Government foreign policies and goals. See A/OPE Grants Policy Directive Number 13.

6 FAM 227.4 Disposal of Flags, Seals, Insignia, Etc.

(TL:GS-59; 10-01-1999)
(Uniform State/USAID/Commerce/Agriculture)

Obsolete or unserviceable flags, seals, signs, insignia, door plates, rubber or wax stamps bearing the seal of the United States shall be completely mutilated, preferably by burning. Impressions or seals placed upon items shall be removed or obliterated before disposal is made.

6 FAM 227.5 Protective Custody Property

(TL:GS-59; 10-01-1999)
(Uniform State/USAID/Commerce/Agriculture)

Property left by U.S. Government Agencies or quasi-governmental agencies shall not be disposed of without specific authorization from the owning agency.

6 FAM 227.6 Disposition of other Agency Property

(TL:GS-59; 10-01-1999)
(Uniform State/USAID/Commerce/Agriculture)

Posts shall assist in the disposal of other agency property, provided authority is furnished, in writing, by the agency concerned. Proceeds from the sale will be deposited in the appropriate agency's account.

6 FAM 227.7 Cannibalization of Nonexpendable Property

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

a. Cannibalization of nonexpendable property is permissible under certain circumstances, providing the act is total.

b. Justifications for permitting cannibalization are:

(1) Rehabilitation is uneconomical;

(2) Disposal by sale, redistribution, transfer, or grant-in-aid is impractical; and

(3) Value and condition of useful parts and components are high enough to justify time and labor to extract them for repair of working equipment.

6 FAM 228 USE AND CONTROL OF OFFICIAL VEHICLES

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. This section prescribes policies and procedures governing the use and control of official vehicles at Foreign Service posts.

b. *Implementing procedures can be found in 6 FAH-1 H-800.*

6 FAM 228.1 General

6 FAM 228.1-1 Responsibilities

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

(A) Chief of Mission

Chiefs of mission and principal officers of posts without an immediate supervisory mission have jurisdiction over official vehicles and shall establish policy for the use of official vehicles for business purposes and other authorized uses in accordance with this regulation.

(B) Responsible Officer or Employee

The head of each agency at the post shall assign responsibility for proper maintenance and control of that agency's vehicles to a specific officer or employee. The responsibilities of the designated officer include:

- (1) Management and operation of the motor pool (where applicable);
- (2) Maintenance of vehicle records;
- (3) Preparation and submission of required reports;
- (4) Control of vehicle use (including host-government-owned vehicles under USAID custody);
- (5) Recommendation of vehicle replacement and fleet adjustments;
- (6) Coordination of vehicle disposal;
- (7) Reviews of *Forms OF-108, Daily Vehicle Use Record*, to monitor vehicle use; and
- (8) Establishment of a schedule of inspections to meet warranty requirements.

(C) Motor Vehicle Branch

State only: The Motor Vehicle Branch (*A/LM/OPS/WLC/MV*) is responsible for the management of the world-wide motor vehicle fleet for Department of State-owned vehicles including:

- (1) Accountability and inventory management;
- (2) Funding and replacement of *program* vehicles;
- (3) Determination of *program* fleet size; and
- (4) Authorization of vehicle acquisition and disposal of *program vehicles only*.

(D) Country Fleet Manager

State only: At a supervisory post, the chief of mission shall designate in writing a country fleet manager responsible for the assignment of vehicles to constituent posts. Vehicles shall be assigned to fill justified requirements with consideration for the type of vehicle best suited to meet the transportation need, the availability of spare parts and repair facilities, and aspects of terrain or climate which bear on transportation. Within-country vehicle exchange may be made without prior Department approval, but must be reported so that records may be adjusted. The fleet manager

must obtain approval from the *A/LM/OPS/WLC/MV* before a vehicle is transferred if it will change the number of vehicles at the posts.

6 FAM 228.1-2 Policy

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

(A) General

Official vehicles shall be provided for the transportation of personnel and property in the conduct of U.S. Government business. "Other authorized use" shall not interfere with the availability of vehicles for "business use"; neither shall any additional vehicles be acquired for these purposes.

(B) Fleet Size and Composition

a. The size and composition of post fleets is based on the following criteria:

(1) **USAID staffing:** A ratio of *four-to-one professional* positions is used generally. Detailed guidance is provided in ADS 536;

(2) **Use:** How vehicles are used in support of agency administrative transportation requirements;

(3) **Mileage:** 12,000 miles per vehicle per year.

b. After these factors are weighed and a tentative fleet size established, other information about local use conditions may be considered.

(C) Fair and Equitable

Official vehicles shall be made available and dispatched on a fair and equitable basis, taking into account the official responsibilities of employees as well as other priorities and requirements. Locally prevailing conditions such as roads, parking, and the availability of safe public transportation, should also be considered.

(D) Taxicabs

Taxicabs may be authorized for business purposes if the cost is less than the use of official vehicles or when official vehicles are not available.

(E) Chauffeurs or Drivers

Each post may determine whether to use *Foreign Service national* chauffeurs, or to permit U.S. citizen or *Foreign Service national* employees to “self-drive” official vehicles, but the use of professional chauffeurs or drivers for local travel is preferred by the Department. Operators of official vehicles must possess valid driver’s documents.

(F) Country-Wide Policies

The widely varying situations and circumstances abroad make it impracticable to prescribe specific regulations to govern detailed aspects of the use of official vehicles. However, the chief of mission, in consultation with ranking officers of other agency elements at a post, shall prescribe country-wide policies for business and other authorized use of vehicles. These policies shall provide for uniform, fair, and equitable treatment among post personnel. They shall be documented in a “vehicle policy memorandum” which includes written guidelines setting forth criteria governing approval for the use of U.S. Government vehicles for “other authorized use” and the method of charging for such use. The vehicle policy memorandum shall be posted and available for examination by authorized personnel. It shall be reviewed at least annually.

6 FAM 228.1-3 Other Guidance

(TL:GS-76; 01-28-2002)

(US&FCS and Foreign Agriculture Service Only)

a. US&FCS Operations Manual Section 521, Official Vehicles for Use Abroad, provides specialized guidance on the request, use, purchase, disposal, and inventory of vehicles.

b. *Foreign Agriculture Service overseas Administrative Handbook, Section 9, Official Vehicles, provides specialized guidance on the request, use, purchase, disposal, and inventory of vehicles.*

6 FAM 228.2 Use

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

Use of official vehicles either for business purposes or “other authorized use” in accordance with this section is for an “official purpose.”

6 FAM 228.2-1 Business Purposes

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/BBG/Commerce/Agriculture)

Official vehicles may be used for the following business purposes:

(1) Any transportation at post of chiefs of mission and principal officers at consulates and consulates general;

(2) Transportation of U.S. Government employees (including those employed under personal services contracts) and property directly related to the conduct of U.S. Government business;

(3) Transportation of employees under U.S. Government contracts when considered necessary to further the purposes of the contract unless the terms of the contract require the contractor to provide such transportation;

(4) Transportation of dependents in furtherance of an official U.S. Government activity where the presence of a family member will further U.S. Government interests, such as official functions by or for representatives of foreign nations;

(5) Certain agencies may have authorization to provide transportation between the residence of an officer or employee and various locations when required for the performance of fieldwork, or essential for the safe and efficient performance of intelligence, counterintelligence, protective services, or criminal law enforcement duties when authorized by the head of the agency. Such authority must be documented and must be exercised with the concurrence of the chief of mission;

(6) **BBG only:** Transportation of correspondents of the Voice of America and transportation of *International Broadcasting Bureau (IBB) transmitting station managers*. When a *transmitting* station is outside of the vicinity of a post, transportation of *IBB transmitting* station personnel is authorized while in a formal duty or on-call status, as confirmed by their listing as such on the written, periodic transportation plan and shift schedule prepared by the *International Broadcasting Bureau transmitting* stations. Approval of such transportation by the chief of mission must be documented in the post vehicle policy memorandum;

(7) *Transportation of public diplomacy artists, speakers, grantees, journalists, etc., in support of the Public Diplomacy program; and*

(8) *Such other use as may be deemed appropriate for the conduct of official U.S. Government business, and as approved in writing by the COM or PO.*

6 FAM 228.2-2 Other Authorized Use

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. "Other Authorized Use" means transportation of U.S. Government employees, including those under personal services contracts, and their dependents, for other than business purposes when authorized because public transportation is unsafe or not available or because such use is advantageous to the U.S. Government.

b. The U.S. Government's liability is limited to acts of employees "within the scope of employment." This means that the U.S. Government *is not liable* for a driver using a Government vehicle for "other authorized use" except when driving is a part of the employee's official duties as a U.S. Government employee, *i.e., a post driver or chauffeur on duty*. "Other authorized use" of an official vehicle not driven by a post driver or chauffeur on duty is contingent upon the post's acquisition of liability insurance for that purpose. Posts must inform other authorized drivers of their personal liability and the extent of liability insurance the post has for such "other authorized use" drivers.

6 FAM 228.2-3 Approval for other Authorized Use

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

(A) General

Transportation for other than business purposes is normally an employee responsibility. Privately owned vehicles are shipped to posts at U.S. Government expense in consideration of such responsibility. However, the chief of mission may approve other authorized use of official vehicles when public transportation is unsafe or not available or when such use is advantageous to the U.S. Government. The exercise of this authority requires a written finding of the circumstances *that* justify the use of official vehicles and adequate liability insurance coverage.

(B) Public Transportation Unsafe

If the chief of mission finds that a specific security threat makes transportation by privately owned vehicle or public transportation unsafe, or that available public transportation is inherently dangerous, official vehicles may be used for the transportation of U.S. Government employees and dependent family members. If the safety concern is about transportation facilities, as opposed to a specific security threat, then privately owned vehicles should be used to the extent possible for nonbusiness transportation.

(C) Public Transportation Unavailable

When public transportation is locally unavailable (not merely inconvenient), use of official vehicles may be authorized. Post policy should encourage the use of employees' privately owned vehicle to the extent possible. However, consideration may be taken of the transportation needs of dependent family members.

(D) Use Advantageous to U.S. Government

Unless otherwise authorized under 6 FAM 228.2-2, authorization to use U.S. Government vehicles under this provision is restricted to the following:

(1) Transportation of dependent school children to and from a U.S.-sponsored school abroad when other transportation is unavailable or inappropriate;

(2) Local transportation of Marine security guards for group recreational purposes. This use is authorized in a memorandum of agreement between the Department of State and the United States Marine Corps and does not require a local finding;

(3) Home-to-office transportation for employees at post on temporary duty assignment; and employees either arriving on assignment, for whom a privately owned vehicle, shipped at U.S. Government expense, is in transit, or employees departing upon completing an assignment, whose private vehicle has been shipped. In such cases, home-to-office transportation is authorized for a limited time as provided in the administrative policy memorandum;

(4) Residence-to-office transportation for employees where some U.S. citizen employees or members of their families are not permitted to drive by local law or custom, or some are not permitted to import a privately owned vehicle by the local government, or are effectively prevented from doing so by reason of import duties in excess of the purchase value of the privately owned vehicle;

(5) Transportation of on-call duty personnel, including security and *information management personnel* outside normal duty hours. Approval for such transportation must be made, in writing, by the chief of mission and must include a finding that unique and unusual circumstances require *such personnel* to use an official vehicle for transportation to a residence or other location after normal business hours for the purpose of rapid recall to duty. The written finding must justify such use, specify the duration of approval, and either be included in or filed with the vehicle policy memorandum; or

(6) Home-to-office transportation for the DCM where the chief of mission determines, in writing, that such use is required by diplomatic necessity. Residence-to-office transportation of the USAID director may be approved under this subparagraph on the basis of unusual and compelling circumstances with the concurrence of the ambassador.

6 FAM 228.2-4 Charges for other Authorized Use of Official Vehicles

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Posts will collect a charge for all “other authorized use” approved under 6 FAM 228.2-3 except the following:

(1) Local transportation of dependent children to *and from U.S.-sponsored* schools abroad;

(2) Transportation necessary for the protection of personnel at posts designated for a danger pay allowance or transportation of personnel subject to a security threat when the RSO, with the concurrence of the chief of mission, has determined, in writing, that transportation in an armored vehicle with a security escort is necessary for their protection, or when, because of unusual circumstances, the Assistant Secretary for Administration has approved a post request to waive the charge for secure transportation;

(3) Transportation provided to Marine security guards;

(4) Transportation of on-call duty personnel outside normal duty hours; and

(5) Transportation provided to employees at post on a temporary duty assignment.

b. Establishing charges:

(1) Each post shall establish and the chief of mission shall approve a charge for authorized, nonbusiness use of official vehicles. Charges shall be based on the projected cost per mile of vehicle usage over the estimated useful life, including depreciation (purchase and transportation costs less the estimated salvage value upon disposal, divided by the product of the estimated useful life in years and the average annual mileage); plus the estimated operating costs per mile for service, parts, repair, fuel and lubricants, registration, and insurance; multiplied by the number of miles travelled (for shuttle service between home and office, use the round-trip distance to and from the motor pool); plus the prorated salary and benefits costs of the driver, if applicable (for shuttle service between residence and office, use the round trip time to and from the motor pool); divided by the average number of passengers per trip (see 6 FAH-1 H-800 exhibit H-811e);

(2) These charges shall apply to contractors if not inconsistent with the terms of the contract. In the rare instances when foreign national personnel are provided with transportation between home and office, the fee will be charged to these personnel unless inconsistent with local custom, or if there are other overriding factors present that the chief of mission determines justify a reduced charge or no charge;

(3) The charge for "other authorized use" shall be calculated annually (or more often if necessary due to significant changes in salary or fuel costs). The computation of the charge shall be documented and filed with the post vehicle policy memorandum and available for inspection;

(4) When the other authorized use is for home-to-office transportation, the same cost recovery calculations apply, except that the rate charged shall not exceed \$2.70 per person per one-way trip. In order to standardize the charge for home-to-office transportation, if more than one type of shuttle vehicle is used, or if shuttle distances vary, an average cost should be calculated.

c. Collecting charges: The policy for collecting transportation charges shall be fair, equitable, and clearly stated in the post administrative memorandum governing the use of official vehicles. If tickets are used for home-to-office transportation, the policy should name the person(s) authorized to approve ticket purchases and sell tickets, responsible for keeping records and depositing proceeds with a Class B cashier, and accountable for ticket sales. Fees may be collected in local currency to simplify deposit. Collections shall be deposited by the post to the General Fund Receipt Account and reported through the accounting system of the responsible agency. The account number for Department of State activities is 193220. USAID controllers shall deposit proceeds to the "Miscellaneous Recoveries not Classified Elsewhere" account 72-3220. Funds collected may not be applied to expenses of the servicing post or agency. *FAS will deposit the reimbursement monies in the FAS miscellaneous receipt account 12-3220.*

d. Using taxicabs: Use of taxicabs is authorized when transportation between home and office has been authorized, official vehicles are not available, and when not inconsistent with the determination that use of official vehicles for transportation between home and office is authorized under 6 FAM 228.2-2. The taxi fare would be paid by the employee who would then be reimbursed for the actual cost less the imposed charge.

6 FAM 228.3 Control of Official Vehicles

6 FAM 228.3-1 Motor Pools

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

All posts or agencies having two or more vehicles available for general use shall operate such vehicles as a motor pool; that is, make them available for the use of all officers or employees having need of vehicles for official purposes. Pooled motor vehicles from more than one agency may be used with the agreement of the chief of mission or principal officer and the ranking officer of another agency at the post. Vehicles available for general use normally exclude those authorized for exclusive assignment.

6 FAM 228.3-2 Vehicle Assignments

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

Except for vehicles assigned to the chief of mission or the principal officer at a consulate or consulate general, vehicles assigned for exclusive use may, nevertheless, not be used for other authorized transportation except in accordance with 6 FAM 228.2. Only the following vehicles may be assigned for exclusive use:

- (1) The principal officer's vehicle;
- (2) A vehicle assigned, at the discretion of the chief of mission, to the ranking subordinate officer at a diplomatic mission;
- (3) The Marine security guard detachment reaction vehicle;
- (4) Vehicles purchased by other U.S. Government Agencies and assigned to the agency representative at post;
- (5) Vehicles funded and controlled by the Bureau of Diplomatic Security or USAID/IG for security purposes, including:
 - (a) Vehicles driven by security personnel on personal protection assignments;
 - (b) Local Guard Program vehicles;
 - (c) Residential security vehicles; and
 - (d) Transit security vehicles;

(6) Vehicles funded and controlled by M/OBO for the use of the M/OBO Project Director (PD) for official travel during the course of the PD's assignment to an OBO project.

6 FAM 228.3-3 Review of Assigned Vehicles and Usage

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

Each agency must review fleet use and composition annually to ensure the right mix of passenger and cargo carrying vehicles and that vehicles are assigned and used properly. If any vehicles are found to be in excess of agency fleet requirements, posts must notify the owning agency, providing description of the vehicle, inventory number, condition, age and mileage so that the appropriate disposition can be made.

6 FAM 228.4 Liability and Insurance for Official Vehicles

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. State (2 FAM 281) and USAID (ADS 152) have administrative authority to settle and pay tort claims *to third parties for property damage, bodily injury and death resulting from the operation of official vehicles by their employees acting "within the scope of employment."* It is general U.S. Government policy that the United States self insures for such liability and its own property. However, principal officers and ranking officers of establishments abroad are authorized to purchase insurance against such liability and property and for in such amounts as are required by local law or as they deem desirable. It may be prudent under certain local situations to purchase additional liability insurance.

b. "Other authorized use": The U.S. Government's liability under paragraph a of this section is limited to acts of employees "within the scope of employment." This means that the U.S. Government is not liable for a driver using a U.S. Government vehicle for "other authorized use", except when driving is a part of the employee's official duties as a U.S. Government employee, i.e., a post driver or chauffeur on duty. "Other authorized use" of an official vehicle not driven by a post driver or chauffeur on duty is contingent upon the post's acquisition of liability insurance for that purpose. Posts must inform "other authorized" drivers of their personal liability and the extent of liability insurance the post has for such drivers.

6 FAM 228.5 Loss or Extensive Damage to Official Vehicles

(TL:GS-76; 01-28-2002)
(Uniform State/USAID/Commerce/Agriculture)

a. The repair of official vehicles is a post responsibility and does not require prior approval from *the Department*. Accidents involving official vehicles must be reported in accordance with 6 FAM 617.3-5. If a vehicle is lost, stolen, or damaged beyond repair, the post must forward Form OF-132, Property Disposal Authorization and Survey Report, *for State or Form AID 534-1, Personal Property Disposal Authorization and Report, for USAID* to the appropriate Washington, DC, headquarters office after survey action has been completed.

b. USAID mission directors under the authority contained in ADS Chapter 536, may dispose of and replace vehicles without specific authority from M/AS/OMS.

c. **State only:** If a replacement vehicle is required, the post should first request disposition authority, *if appropriate*, then follow the procedures described in 6 FAM 228.9-1 to request replacement.

6 FAM 228.6 Operating Motor Vehicles

6 FAM 228.6-1 Form OF-108, Daily Vehicle Use Record

(TL:GS-76; 01-28-2002)
(Uniform State/USAID/Commerce/Agriculture)

Form OF-108, Daily Vehicle *Use* Record, shall be maintained for all vehicles assigned to a post. The form shall be completed by the employee operating or servicing the vehicle, except for passenger signatures. The Form OF-108 may be translated into a local language providing the format is not altered. (See 6 FAH-1 H-800 exhibit H-813(A)(i)e).

6 FAM 228.6-2 Fuel for Official Vehicles

(TL:GS-59; 10-01-1999)
(Uniform State/USAID/Commerce/Agriculture)

a. The manufacturer's recommendation for octane requirements and minimum lead content shall be followed to the extent possible.

b. If a post has a bulk fuel operation or uses coupons for the purchase of fuel, strict controls shall be placed on the distribution of fuel and coupons. A record shall be made of all vehicles and persons having access to the fuel and coupons.

6 FAM 228.6-3 Dispatching and Scheduling Vehicles

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

a. Motor pool vehicles shall be maintained at a central point during office hours and dispatched for each trip. If possible, one vehicle should be reserved for emergencies.

b. Vehicles may be scheduled in advance for business purposes and a priority list established based on relative needs of individuals or offices. Recurring requirements should always be scheduled in advance.

6 FAM 228.7 Records and Reports

6 FAM 228.7-1 Accountability, Use, and Maintenance Records

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

Accountability, use, and maintenance records, including records of fuels and lubricants used, must be established and kept on file for all official vehicles. This data must be monitored for effective fleet management and *management* controls, and be available for *A/LM/OPS/WLC/MV* use, *in connection with requests to the annual reporting requirements*.

6 FAM 228.7-2 Motor Vehicle Inventories

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. **State only:** *A/LM/OPS/WLC/MV* centrally manages and inventories the Department of State's vehicle program, annually requesting a vehicle inventory from country fleet managers and posts without an immediate supervising mission (see 6 FAM 226.1). The inventory printout appended to the request lists the vehicles currently authorized and on hand at a post, *and includes Program, DS, and ICASS vehicles*. The post must annotate any corrections directly on the printout, sign the certification statement stamped on the inventory, and return the signed inventory printout to *A/LM/OPS/WLC/MV* by the date indicated.

b. **USAID only:** The basic record for motor vehicles is Form USAID-5-197, Motor Vehicle Record. Instructions on the use of this form are covered in USAID's Motor Vehicle Guidelines and on the back of the form.

6 FAM 228.8 Disposal of Official Vehicles

6 FAM 228.8-1 Methods of Disposal

a. **State only:** The Department authorizes disposal of official *Program* vehicles, *excluding* ICASS, on a case-by-case basis. Form DS-1559, Authorization for Disposal of Vehicle, is issued when a replacement vehicle is received. Advance approval must be obtained from A/LM/OPS/WLC/MV when a vehicle is to be disposed of before the replacement vehicle is received. If the vehicle is not being replaced, the post should request a Form DS-1559 when a vehicle is no longer serviceable or economical to maintain:

(1) Normally, vehicles are to be sold on a competitive basis as replacement property;

(2) Disposal of vehicles should be accomplished within six weeks after receipt of authorization. If disposal action cannot be completed within two months, the owning agency should be advised stating the reason for delay and what action is being taken. If disposal is delayed because of host-country requirements, the Office of Foreign Missions (*DS/OFM*) at the Department of State should be advised by memorandum, with copies of pertinent correspondence;

(3) When a vehicle is lost or destroyed by accident, natural causes, or civil strife, a non-U.S. Government entity may provide replacement. In these circumstances, acceptance of the vehicle must be approved by A/LM/OPS/WLC/MV. Complete details relating to the incident should be provided, including a full description of the vehicle proposed as a replacement, and copy of the relevant Form OF-132, *Property Disposal Authorization and Survey Report*.

b. **USAID only:** See 6 FAM 227.3.

6 FAM 228.8-2 Proceeds of Sale

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

Funds obtained from the sale of official vehicles shall be deposited in accordance with instructions provided by the owning agency, normally included with the disposal authorization.

6 FAM 228.9 Acquisition of Official Vehicles

6 FAM 228.9-1 Authority to Acquire Official Vehicles

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. Vehicle replacement and fleet size and composition are determined by the appropriate headquarters office in Washington, DC:

(1) State: *A/LM/OPS/WLC/MV (Program vehicles only)*;

(2) USAID: *M/AS/OMS (see ADS 536 for policy on acquisition of vehicles)*;

(3) Agriculture: *FAA/ISS*.

Acquisitions (including leases) by posts abroad for other agencies are governed by the policies and regulations of the requesting agency.

b. **State only:** Posts abroad must obtain prior approval from *A/LM/OPS/WLC/MV* before acquiring any *Program* vehicle by purchase, lease, transfer, or other means.

6 FAM 228.9-2 Replacement Criteria and Fleet Increases

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

A/LM/OPS/WLC/MV funds and controls the replacement of Program motor vehicles abroad, evaluating the size and composition of post fleets when reviewing replacement requests. As part of vehicle replacement discussions with *A/LM/OPS/WLC/MV*, posts must provide condition and maintenance data. Approval of vehicle replacement is based on the *mileage* and condition. A vehicle due for replacement may not be replaced if the post has been reduced in size or if other vehicles in the fleet are *underutilized*. Requests for a fleet increase must be supported by a fleet survey.

6 FAM 228.9-3 Acquisition Methods

(A) General

Funds for the purchase of vehicles are obtained through Congressional appropriations and proceeds from the sale of vehicles. Vehicles are acquired through purchase, lease, or transfer.

(B) USAID

Refer to ADS Chapter 536 on acquisition of vehicles.

(C) Purchase (State Only)

a. General Services Administration (GSA) is the mandatory procurement source for the *acquisition* of U.S.-manufactured vehicles purchased in the United States. Purchase requests are submitted by A/LM/OPS/WLC/MV to GSA.

b. Foreign-made *Program* vehicles are funded by A/LM/OPS/WLC/MV but are purchased abroad by the post, either through a regional procurement office, third country procurement or locally. All purchases of *Program vehicles* abroad must be authorized by A/LM/OPS/WLC/MV.

c. U.S. manufactured vehicles are preferred to meet official vehicle requirements. If a U.S.-manufactured vehicle *cannot meet requirements, every consideration should be given* to vehicles manufactured by U.S. subsidiaries or *affiliated manufacturers*. Requests to purchase non-U.S. manufactured vehicles may be justified in the following conditions:

(1) Special requirements exist which cannot be met with a vehicle manufactured in the *United States*, e.g., right-hand drive vehicles;

(2) The total cost of acquisition and life cycle expenses of non-U.S.-made vehicles is at least one third less than that of U.S.-made vehicles due to the availability of parts and service, suitability to local conditions and more efficient fleet operations. *For Program vehicles, a cost-benefit analysis must be submitted to A/LM/OPS/WLC/MV for review to determine whether acquisition of a non-U.S.-made vehicle is justified;*

(3) Due to local conditions, a non-U.S.-made vehicle is required for security or other special operational needs. Justification to procure a vehicle under this provision must be submitted to A/LM/OPS/WLC/MV. If the security is a consideration, the justification must be routed through DS/PSP/PEL for approval.

(D) Lease

State only: Posts may lease or rent a vehicle to meet temporary requirements for periods not to exceed 60 days. Leases *involving Program vehicles* in excess of 60 days must be approved in advance by A/LM/OPS/WLC/MV based on the following considerations:

(1) For reasons of economy, long-term *Program* vehicle requirements are normally met by purchase rather than lease. However, if a post believes that unusual circumstances favor leasing motor pool vehicles, a proposal must be submitted to A/LM/OPS/WLC/MV with a comparison of purchase price, maintenance and repair costs, operating costs, and proceeds from sale in comparison with annual lease costs, length of agreement, and contract maintenance and repair costs, if applicable. The comparison should be made for similar makes and models of vehicles. The provision of 6 FAM 228.9-3 concerning vehicles of foreign manufacture apply to lease, as well as purchase; and

(2) Approval of a *Program* vehicle lease extends for the life of the lease but not for renewals. Renewal justification must be submitted in the same manner as for a new lease.

(E) Transfer (State Only)

a. The transfer of a vehicle from one agency to another is appropriate under certain circumstances and conditions. However, prior A/LM/OPS/WLC/MV approval *for Program vehicles* is required. A request for approval must provide complete description, including standard and optional equipment, accumulated mileage, and condition. The request must state what vehicle the transferred vehicle is intended to replace and provide a Vehicle Condition Report for that vehicle. If the vehicle is to be acquired as a net fleet *increase*, justification and a fleet survey must be submitted.

b. A/LM/OPS/WLC/MV approval is not required when vehicles are transferred from another agency for disposal purposes only. These vehicles must be disposed of and the funds deposited as instructed by the owning agency, and may not be retained for use prior to disposal.

6 FAM 228.9-4 Standardization Policy

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

Department policy requires full and open competition in all procurements. Therefore, vehicles are provided to posts based on vehicle type rather than specific make and model. *Posts that have an approved standardization on a specific make and model (see DOSAR 606.370) may restrict their acquisitions to that make and model; however, competition must still be sought among the various sources that provide that make and model. Posts may not standardize on foreign vehicles. For USAID ADS 536 provides specific guidance for posts wishing to standardize on a*

particular make of vehicle. However, a standardization agreement does not exempt a post from applicable statutory price limitations, *pertaining to passenger vehicles (e.g., sedans and station wagons)*.

6 FAM 228.9-5 Messenger Delivery and Utility Vehicles

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

Two-wheeled and three-wheeled motor scooters or cycle-type vehicles used for messenger delivery, and other utility vehicles that are not driven on roads, such as forklifts or tractors, may be acquired without agency approval.

6 FAM 228.10 Use of Privately Owned Vehicles (POVs)

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

Authority is granted in 4 FAM 475 and in 6 FAM 111.3-1, *subparagraph r(4)* and 6 FAM 111.3-1, *paragraph ww*, to authorize or approve the use of POVs for business purposes when this use is determined to be advantageous to the U.S. Government or when official transportation is not available. Reimbursement will be made on a mileage basis in accordance with the rate established by the General Services Administration in the Federal Travel Regulations for use of a privately owned vehicle (see 6 FAM 140).

6 FAM 228.11 Mission Support

(TL:GS-59; 10-01-1999)

(Uniform State/USAID/Commerce/Agriculture)

Motor vehicles acquired by each agency to provide for its specific transportation needs are considered mission support vehicles. Although such vehicles may be operated from a joint motor pool, they remain the property and responsibility of the owning agency.

6 FAM 228.12 Shop Safety

(TL:GS-76; 01-28-2002)

(Uniform State/USAID/Commerce/Agriculture)

a. *The shop must be inspected at least twice a year, and more frequent inspections by the supervisor would be appropriate. According to DOS requirements higher risks work places must be inspected for health as well as safety and fire reasons.*

b. *For general guidance see 6 FAM 610, Occupational Safety and Health Program, the Fire Protection Guide, and Safety, Occupational Health and Environment Management Resource Guide. Detailed guidance is provided in sections F-1 (Electrical Hazards), F-7 (Flammable and Combustible Liquids), 1-7 (Motor Pools, and V (Hazard Profiles/Checklists).*

c. *Motor Pool Checklist provides an assessment guide for motor pools. Depending upon circumstances other sections of the Fire Protection Guide and the Resource Guide may be applicable.*

d. **USAID only:** See ADS Chapter 529, Safety Program, and USAID Occupational Safety and Health Plan, Appendix V.

6 FAM 229 REPORTING REQUIREMENTS

6 FAM 229.1 Property Management Report

6 FAM 229.1-1 State Only

(TL:GS-76; 01-28-2002)

(State Only)

a. *Form DS-582, Property Management Report, is submitted annually. The accountable property officer (APO) and the property management officer (PMO) must sign the report and submit the original to A/LM/PMP/BA/PM by March 15 each year. Special Embassy Program posts (SEP) shall submit the report biennially on even numbered years.*

b. *If the March 15 deadline cannot be met, written requests for permission to submit late reports are to be submitted to A/LM/PMP/BA/PM prior to March 15 and must include a valid justification for the delay and a date by which the report will be submitted.*

c. *If any of the responses in the Compliance Report (part B) are negative, the Property Management Report must be accompanied by a memorandum stating what corrective action has been initiated and include a date by which the post will be in full compliance with property management regulations. The post must subsequently send a follow-up*

memorandum, by the projected compliance date, confirming that the post is in total compliance with regulations.

d. The information resource management officer (or equivalent) shall complete and submit an inventory certification to the WPAS program office (A/LM/PMP/BA/PM/WPAS) by March 15, each year.

e. Embassies which maintain property records for constituent posts, and are including those posts in the certification of inventory reconciliation and sale exchange parts of the report, must specify the name of each post included. If constituent posts are performing any of the property duties indicated on the regulations compliance part of the report, which are not being performed by the embassy on behalf of the constituent post, those posts must submit a separate report addressing that part only.

f. The designated accountable property officer for drugs and any other property under the control of the health unit shall provide the PMO with an inventory certification for such property. If a post does not have a health unit or has no such property at post, the PMO must state this on the post's annual certification.

g. The designated accountable property officer for the narcotics affairs section's accountable office and residential (nonproject) personal property shall provide the PMO with an inventory certification for such property, unless the PMO maintains the property records.

h. The post's senior administrative officer is responsible for ensuring that the information resource management officer (or equivalent) completes the annual physical inventory and reconciliation of all Program property tracked in the Worldwide Property Accountability System (WPAS).

6 FAM 229.1-2 USAID Only

(TL:GS-76; 01-28-2002)
(USAID Only)

USAID mission reporting requirements are detailed in ADS Chapters 534 and 629.

6 FAM 229.2 Sale or Exchange Reporting

(TL:GS-76; 01-28-2002)
(State Only)

NEPA produces the Sale/Exchange Report. The report shall be submitted to A/LM/PMP/BA/PM by March 15, each year.

6 FAM 229.3 Capitalized Property Records

(TL:GS-76; 01-28-2002)
(State Only)

This information is generated by the Nonexpendable Property Application (NEPA), which posts and bureaus manage. Posts using manual record keeping systems must provide an end-of-year *report on capitalized property with the same information provided by the NEPA system* of property depreciation to FMP/F/DFS/DFO/FO/A, by telegram or memorandum. *Posts should submit the reports required by this section electronically (by e-mail) if possible as instructed in the annual cable from FMP.*

6 FAM 229.3-1 State Department

(TL:GS-76; 01-28-2002)
(State Only)

a. The depreciated value of capitalized assets on hand at the end of each fiscal year must be reported to FMP/F/DFS/DFO/FO/A within 15 workdays following the end of the fiscal year. The depreciation of capitalized personal property begins the first fiscal year after the item is put into use. Until the property is issued and depreciation begins, the property is reported at the acquisition cost. A copy of the report is to be forwarded to the budget and fiscal officer.

b. NEPA: Submit the Capitalized Property *Depreciation* Report produced by the NEPA system. *Additionally, FMP requires the Procurement Document and the Capitalized Property Disposals Reports for capitalized property for the fiscal year period covered by the report. Also, a report on nondepreciable property, which is used to prepare the financial statement reporting on heritage assets, is required if applicable. Reporting on all nondepreciable assets is required regardless of cost (i.e., the \$25,000 threshold does not apply for purposes of reporting heritage assets).*

c. Manual submission: The report is to be submitted in the following format:

(1) A separate report must be submitted for each allotment *that* funded the purchase of capitalized personal property;

(2) Report the following monetary data, *for each individual piece of capitalized property*:

(a) Appropriation;

(b) Current period depreciation; and

(c) Accumulated depreciation;

(3) Report separately, *by the acquisition cost of each new item acquired during the fiscal year*;

(4) Report separately, *by item*, the total acquisition cost and accumulated depreciation for any item sold, transferred, or otherwise disposed of during the fiscal year;

(5) Report the *number and acquisition cost of nondepreciable, capitalized property acquired during the fiscal year*;

(6) Report an aggregate total net value of fully depreciated property that is still in use.

6 FAM 229.3-2 USAID

(TL:GS-76; 01-28-2002)

(USAID Only)

a. *USAID missions are responsible for responding to M/FM/CAR's annual call for data on capitalized property (nonexpendable property, information technology property, and real property), excluding motor vehicles, as defined in 6 FAM 225.2-1, paragraph a. The mission EXO will provide this data to the mission controller who will furnish the information to M/FM/CAR. M/AS/OMS will prepare the worldwide listing of capitalized vehicles for submission to M/FM/CAR.*

b. *The reported capitalized property, as well as other nonexpendable property, will have been reconciled with the USAID Controller's records at acquisition cost and will reflect identical values.*

c. M/FM/CAR, upon receipt of the capitalized property lists from USAID missions and USAID/W offices will calculate the depreciation cost of the property for recording in their property ledgers. Once property is depreciated, it is recognized that the acquisition value of USAID property reflected in USAID's controller records will not match the depreciated property value listed in USAID/W financial records.